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Yamani Ties Oil To West's Stand On Palestinians

After the uneasy compromise between moderate and hard-line oil producers at the meeting of the Organization of Petroleum Exporting Countries in Geneva last week, the Saudi Arabian oil minister, Sheikh Ahmed Zaki Yamani, flew to London in his private jet. Seated next to him was Newsweek's Arnold de Borchgrave. In their conversation during the 70-minute flight, Mr. Yamani for the first time linked cooperation on the oil front to a solution to the Palestinian problem.

By Arnold de Borchgrave

Borchgrave: Isn't OPEC basically split between two schools of thought about the Western world—one that doesn't really care whether it plunges the world into a recession, or even a depression, as it feels that this would hasten some form of world socialism and redistribution of wealth, and the

President Carter says OPEC raises make a recession in the United States probable. Page 3.

her school that feels it would only be cutting its own throat if it allows prices to go much higher?

Yamani: Not really. Or perhaps you should say that the first school is divided. With the exception of Libya, the radical group realizes full well that this would be a very dangerous situation for all concerned. Even the former Algerian leadership and Iraq once felt this way. They don't fly. The others who are pushing for higher prices—Venezuela and Nigeria, for example—feel they are entitled to them because of what's happening to the price of the Western imports that are essential to their development.

The daily world shortfall is about 2 million barrels. Assuming Western consumers cut back by that much, what is to prevent one of the big producers from throttling back yet again and causing more chaos?

A. The shortfall is now 800,000 barrels a day, not 2 million or even 1 million. If you cut back consumption by 800,000 barrels a day, there would be enough to replenish inventories for the coming winter. If the Saudis cut back by 1 million barrels a day, there will be no shortage. Only one country can do what you are suggesting—Kuwait. They are now producing at 2.2 million barrels a day and want to go down to 1.6 million. This is the ideal rate for them because of their associated gas requirements, their desalination and other industrial plants. Anything below 1.6 million a day is bad for them and anything above that becomes surplus. So, on the safe side, the West must cut back by 2 million. And then there will be no question of any shortage. And if all of the 24 industrialized OECD [Organization for Economic Cooperation and Development] nations can reduce consumption by 4 million barrels a day in 1980, I'll bet that the price will drop—unless, of course, we have more trouble in the Middle East. The Communists are very strong in the oil fields there and pose a serious threat.

Libya has threatened to cut off U.S. oil shipments if Washington lifts an embargo on transport planes that was imposed because of the Moammar Qaddafi's destabilization operations in other countries. Yriha has threatened similar action if the U.S. recognizes the new Libyan government; and now Iraq says it will embargo oil to Canada if the new government there moves its embassy from Tel Aviv to Jerusalem.

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Despite the Fuel Crisis

Germans Hit the Road at High Speed

By John Vinocur

ANN, July 1 (NYT)—Viewed in West Germany, all those oil-fueled exporting countries that are the rest of the world's industry. The West Germans say what they want to do about it.

citizens may wait in line for fuel and the Danes will have to up driving one day a week in summer, but in West Germany the essential aspect of the postwar social self-image has been preserved. For the time being the 3 miles of superhighways will win the last round in the industrial world without speed limits.

Chancellor Helmut Schmidt on prime-time television last night said to say so after a day of high-pitched concern that would report just the opposite.

Limit. Are complete. age," said a headline in the circulating national tabloid, worry was that West German-

ny's friends in Tokyo would badger the government into believing its expensive else and requiring the 23 million drivers here to slow down and save fuel.

The auto industry warned that its sales and product quality could be damaged by speed limits; politicians talked of infringements on personal freedom; magazines made the debate their cover articles; a television commentator described the issue as "the German trauma."

There does not seem to be much worry about paying more for gas that already costs more than \$3 a gallon and is plentiful, because oil companies, settling their bills in devalued dollars, are willing to pay premium prices on the Rotterdam spot market. But millions of people would be outraged by speed limits and when the national elections are held next year, might not forget who instituted them.

Why the issue is such a passionate one involves a microscopic examination of West German society.

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as U.S. Tries to Adjust to Slower Pace

By William F. Stevens

YORK, July 1 (NYT)—In this life of gasoline shortage, still turn on the car while zipping along southern roads, and hear Janis Joplin sing about "The Little Girl from Pasadena" who keeps her foot off the accelerator.

Granny, go. Granny, go. Granny, go. The light heartedness of the rock song from the rain of the song is perfectly an optimistic feeling that has always distinguished the U.S. experience. For ahead and don't worry about now. There's more where that's from.

In its century, the American spirit has been a fundamental way, a more pessimistic and pessimistic melancholy?

tions about the nation's future. The 1970s be known as the decade when Americans began to abandon a 300-year-old reliance on resources and of viewing the world, themselves and the progress of advancement as a more sacrificial, less wasteful and more intelligent existence that preserves a distinctively American spirit of can-do optimism and their outlook changed from a more pessimistic and pessimistic melancholy?

"This is the first time since the New Deal that we haven't had an image of a new and better future across the board," says Dr. William Simon, a sociologist at the University of Houston. Until now, the changes have seemed disconnected and abstract, says Dr. Simon. Now, he says, they begin "to strike home at a gut level."

Not that Americans in the mass have yet come to grips with the changes.

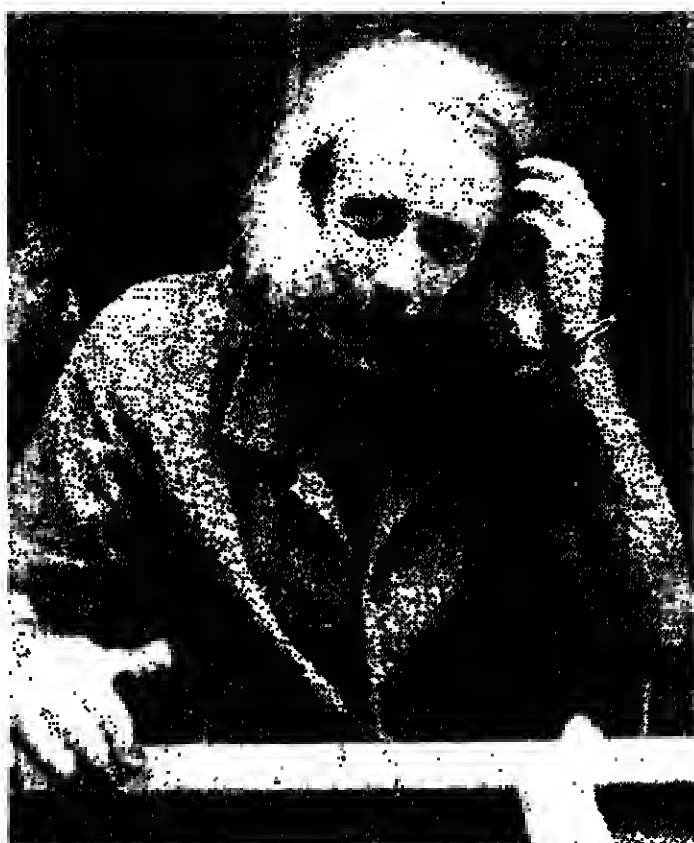
Commonly, people are reacting in essentially emotional ways familiar to psychologists and sociologists—for example, with anger and violence. "You're taking away people's power, freedom and mobility and you're confining people with the gas shortage," says Dr. Harold Lazarus, a professor and clinical psychologist at Rutgers University. "That will just bring them face to

face."

Before the West Virginia Democratic landed in Leningrad, Pravda assailed the Senate Republican leader, Sen. Howard Baker of Tennessee, accusing him of trying to give the Soviet Union an ultimatum that it must accept amendments to the arms limitation agreement.

Sen. Byrd, who will spend two days burning Leningrad before coming to Moscow, was expected to tell the Russians they must reconcile themselves to the necessity of Senate approval of the treaty.

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U.S. businessman William Niehous pulls back long hair as he speaks after rescue from guerrillas who abducted him in 1976.

Held by Venezuelan Rebels

U.S. Executive Rescued 3 Years After Abduction

From Agency Dispatches

CARACAS, July 1.—William Niehous, a U.S. glass company executive held captive for more than three years by Venezuelan guerrillas, was rescued unharmed yesterday after a gunbattle that erupted when police stumbled onto a guerrilla hideout near the southeastern city of Ciudad Bolivar.

Mr. Niehous, 48, arrived home in Ohio today to a tearful welcome at Toledo airport from his wife and three children. Emaciated and with long gray hair, he flew on a jet provided by Owens-Illinois Inc., whose Venezuelan operations he managed until he was kidnapped on Feb. 27, 1976.

The reappearance of Mr. Niehous put an end to what is believed to be the longest kidnapping case in Latin American history. News of his rescue by Venezuelan policemen and soldiers caused sensation here yesterday, after almost two years during which no firm evidence was received as to his survival.

The rescue began Friday night when two policemen on horseback were searching for cattle thieves in an isolated jungle area near Ciudad Bolivar. According to reports reaching here, several persons in a shack opened fire with automatic weapons, and police returned the fire and killed at least two persons, who were later identified as guerrillas.

After the shootout, police said, a man called out from the building in Spanish, "Please don't shoot. I'm Niehous." Mr. Niehous was found handcuffed inside the shack.

During the last three years, Venezuelans and foreigners alike had speculated as to Mr. Niehous's whereabouts. Many here believed that he was dead. His wife Donna Niehous said she had been told by the United States after months of waiting and after attempts to negotiate his release failed.

In 1976 a band of masked guerrillas dressed in fatigues entered the Niehous home in an upper-class Caracas suburb, dragged Mr. Niehous and carried him away. The group responsible for the kidnapping identified itself as the Argentinian Guebaldo Revolutionary Command, one of a handful of extreme-left groups still operating here. The name was that of a Venezuelan guerrilla killed in an encounter with the army in the 1960s.

Owens-Illinois and the Venezuelan government sought for months to negotiate the executive's release. As ransom, the guerrillas demanded \$3.5 million in cash, bonuses for workers at Owens-Illinois plants here, distribution of food to thousands of poor families, and publication of a revolutionary manifesto in foreign newspapers.

The government broke off talks in 1976 after Owens-Illinois agreed to pay for publication of the guerrilla manifesto in The New York Times, Le Monde of Paris and the Times of London. The administration of President Carlos Andres Perez said that the anti-government material in the advertisement offended national dignity. It said that it would seek the American's release but refused to give in to the ransom demands.

The Perez administration ordered expropriation of Owens-Illinois assets in Venezuela because of its alleged interference in Venezuelan affairs, but the expropriation has never been carried out.

In Toledo, Mr. Niehous said that he lost 44 pounds in captivity. Tears came to his eyes several times as he described his ordeal at a brief news conference. He said that he was not tortured, but was chained every night by his captors. "There were times when I gave up hope," he said.

He estimated that he was moved at least 10 times. He spent much of the time in the jungle, covered only by a plastic sheet strung among the trees. His last home was a small shack with walls of mud, a zinc roof and no windows.

"From the first day of the kidnapping until the last, they said that I would never be shot, never be killed, they would always release me alive. Why, I don't know, except they said they were not assassins," Mr. Niehous recounted. He was freed in time for his 25th wedding anniversary on July 17.

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3-Way Talks Proposed

Carter, Park Ask N. Korea To Meet on Reunification

By Edward Walsh

SEOUL, July 1 (WP)—The United States and South Korea formally proposed today that North Korea join them in negotiations aimed at an eventual reunification of the Korean people.

President Carter and President Park Chung Hee of South Korea made the proposal in a joint communique at the end of Mr. Carter's state visit here.

"In view of the importance of this issue for peace and stability on the Korean Peninsula and in the region and as a testament to the personal commitment of the two presidents to seek honorable means to promote dialogue and reduce tension, President Park and President Carter have decided jointly to propose the convening of a meeting of senior official representatives of the South and North of Korea and the United States to seek means to promote dialogue and reduce tensions in the area," the communique said.

Secretary of State Cyrus Vance said that the United States had no assurance that North Korea would accept the proposal and that the negotiations would involve a long, hard road in any case.

"I do not know what position they [the North Koreans] will take," Mr. Vance said. "I hope they take it seriously; there have been some indications that they might, but I don't want to predict that they will."

Concession by Seoul

The proposal represents a concession by South Korea, which in the past has been cool to the idea of tripartite negotiations, preferring bilateral talks between itself and North Korea. However, Mr. Vance insisted that there was no connection between South Korea's concession and President Carter's pending decision on whether to resume his

plan to withdraw U.S. ground troops from South Korea.

Asserting that Mr. Carter had not made up his mind on the withdrawal, Mr. Vance said: "President Carter will make his decision based on the facts, on his discussions with President Park and on consultations back in the United States with his military advisers and the Congress." South Korean officials are extremely nervous about any move by the United States that

might be interpreted as a lessening of its military commitments in the region.

Mr. Vance said that North Korea was notified this morning of the proposal for negotiations and that a more specific message would follow from him and Foreign Minister Park Tong Jin of South Korea.

In addition, he said, the Soviet Union and China, North Korea's main patrons, were notified of the initiative and will be asked to use their

influence to persuade North Korea to accept it.

The joint declaration did not suggest a time or place for the talks or specific topics to be negotiated. Mr. Vance suggested that the three sides might at first deal with such matters as allowing personal contacts between residents of the two Korean states as well as economic exchanges.

"The purpose would be to dis-

(Continued on Page 2, Col. 7)

Dissidents in Seoul Praise U.S. Plea on Human Rights

By William Chapman

SEOUL, July 1 (WP)—President Carter, after applying new pressure on the South Korean government for human rights reforms, was praised today by the country's dissident religious leaders.

The United States presented a list of 100 political prisoners whom it would like released from South Korean jails, Secretary of State Cyrus Vance said. And President Carter reportedly told religious leaders that he had urged President Park Chung Hee to lift the emergency measures by which the Seoul government has limited dissent and civil liberties in recent years.

"I believe President Carter has established a breakthrough on human rights problems in Korea," said the Rev. Kim Kwan Suk, secretary-general of the Korean National Council of Churches.

His enthusiastic comments represented a triumph here on the human rights issue for Mr. Carter. Four days ago, Rev. Kim had deplored what he called an absence of

commitment by the Carter administration to human rights in South Korea.

Rev. Kim and three other dissident religious leaders were among a dozen church officials who met with Mr. Carter this morning. Rev. Kim later said that the comments that Mr. Carter made on human rights in Mr. Park's presence last night "were more than we had expected."

Mr. Carter, in a toast at a formal state dinner at Mr. Park's official residence, challenged the Seoul government to make as much progress in human rights as it has in the economic field in recent years.

According to one of the dissident ministers present at this morning's meeting, Mr. Carter told the group that he had requested Mr. Park privately to lift his government's emergency measures, which include a decree prohibiting any criticism of the government outside the National Assembly. Dissidents claim that 340 persons are in jail on charges of violating that decree.

Mr. Carter's comments in his toast last night came as a surprise. The Seoul government had expected him to make only a general comment about the broad field of human rights without any direct reference to South Korea.

Asked to comment on Mr. Carter's remarks, South Korean officials responded mildly. "We fully share the view that human rights should be protected," they said today in a prepared statement. "However, it must also be acknowledged that the approaches can differ. Various factors come into play, such as differences in the political climate, national security needs, and sociocultural traditions."

The statement emphasized the Seoul government's familiar theme that the country is in danger of an attack from North Korea and that common defense is the first priority. The government insists that dissent in South Korea might encourage the North Koreans to attack.

Mr. Carter restated his challenge to South Korea in milder form in the joint communique issued today as the state visit ended.

"President Carter expressed the hope that the process of political growth in the Republic of Korea would continue commensurate with the economic and social growth of the [South] Korean nation," the communique said. "In this connection, President Park explained his view on this matter together with the current unique circumstances confronting the Republic of Korea."

Carter Meets Park

Later today, Mr. Carter also discussed human rights with the major political dissident, Kim Young Sam, the recently elected political opposition leader and a strident critic of the Park government.

As he left the meeting at the National Assembly, Mr. Carter said of the conversation: "We had a very frank discussion on the issue of unification and the need for mutual defense to continue. We discussed the human rights question in all of its aspects. It was a very fruitful, very good discussion."

Mr. Kim said that the talk was significant and successful. He said that he had discussed with Mr. Carter the matter of former President Yun Po Sun and Kim Dae Jung, a former presidential candidate, who have been under house arrest.

The opposition leader said that he had told President Carter that "there is no need for continuing the repressive [emergency] measures in Korea."

Vietnam, China Invited

Waldheim Calls Meeting on Refugees

GENEVA, July 1 (NYT)—U.N. Secretary-General Kurt Waldheim announced yesterday that he was inviting about 60 governments to meet here July 20 and 21 at the ministerial level to deal the "humanitarian aspects" of the Indo-Chinese refugee problem.

Mr. Waldheim said at a news conference that the invitations were being sent to the countries "directly affected" by the refugee flight and to "prospective donor" nations.

The secretary-general said the donor states would be expected to announce the financial contributions they were prepared to make for assistance to the refugees and the "increased numbers" of refugees they would accept for final resettlement.

Mr. Waldheim confirmed that Vietnam was being invited as a country "directly concerned." China, as a member of the executive committee of the United Nations high commission for refugees, was also being invited, he said.

The secretary-general emphasized that the conference was to deal exclusively with human problems and expressed hope that the delegates would avoid "political confrontation." Mr. Waldheim said that although about 10,000 of the homeless are being moved to places of permanent resettlement each month, about 300,000 refugees still

await permanent asylum. This number will increase, he continued, if refugees continue to come out of Indochina at the present rate.

A Response From China

SHANGHAI, July 1 (WP)—China's public health minister has told U.S. officials that Peking is giving "active and urgent consideration" to a processing center inside China for refugees from Vietnam.

U.S. Health, Education and Welfare Secretary Joseph Califano Jr., who met twice here with Public Health Minister Jiang Yizhen, said

Friday this appeared to be the most positive Chinese response so far to the idea of refugee aid.

The center in southern China, which has been proposed by the United Nations, would help temporarily absorb the massive flow of boat-borne refugees and give them convenient access to Chinese-speaking health and relief officials, since most of the refugees are ethnic Chinese.

Mr. Califano and other U.S. officials have emphasized in talks with the Chinese that international funds, including U.S. aid, would pay for the processing center.

5 Asian Nations Declare Ban on Refugees

By Henry Karn

KUTA, Indonesia, July 1 (NYT)—In a significant hardening of their attitude on Indo-Chinese refugees, five Southeast Asian countries announced yesterday that they would not accept new arrivals, and castigated Vietnam for the exodus.

The countries—Indonesia, Thailand, the Philippines, Malaysia and Singapore—also said that they had the right to return all refugees to their countries of origin, including those being held in transit camps. Close to 300,000 refugees are camped in the five countries, and officials here said that they would be sent back to their homelands unless they were accepted for resettlement in the West within a reasonable time.

For the first time, the non-Communist countries of the region formally condemned Vietnam as the cause of instability in the area.

They issued a long communique in which Hanoi was castigated for its invasion of Cambodia and for its responsibility "for the unending exodus of illegal immigrants."

The transit camps are supported by the United Nations High Commissioner for Refugees, whose agency feeds and cares for the refugees on condition that they will not be repatriated against their will.

The position announced after a meeting of the foreign ministers of the Association of Southeast Asian Nations (ASEAN) appears to put the five countries in contradiction with this position.

The hardening of attitude came as a disappointment to U.S. officials gathered here to await the arrival of Secretary of State Cyrus Vance. They had hoped that President Carter's announcement on Thursday of a doubling of the quota for refugee admissions to the

United States would lead the five countries to adopt a more conciliatory attitude.

The ministers had deplored Vietnam's actions in earlier meetings, but had refrained from naming the Hanoi authorities. Yesterday's communique naming Vietnam came principally at the urging of Foreign Minister Srinanthy Rajaratnam of Singapore. But at a news conference after the meeting, Mr. Rajaratnam pronounced himself dissatisfied with the statement for not going far enough.

The ministers' statement stopped short of demanding the withdrawal of the Vietnamese Army from Cambodia, but it did call on Vietnam to withdraw its troops from the Thai-Cambodian frontier. In strong terms, the ministers expressed support for the right of Cambodians to "lead their national existence free from interference by Vietnam."

مكتبة الأصل

News Analysis

Tokyo Fuel Accord Reflects Diminishing Nationalism

By Flora Lewis

TOKYO (NYT) — Once again, the major industrial trading nations have met to face a crisis and have agreed on a joint strategy.

Each country defended its interests in what all have conceded is a global crisis. But despite reports of triumph by some and of generosity by others, the underlying recognition by the trading world that there is an inescapable need to cooperate was confirmed.

Special Gravity

One after another, leaders of the seven countries called this the most "historic" of their economic summit meetings.

It was not just rhetoric. It reflected not only a sense of special gravity about their yearly efforts to prevent divisions among them but also a growing recognition that no country can prosper on its own.

These economic summit meetings began in 1973 at Rambouillet, near Paris, as an emergency effort to deal with the economic upheaval of what is now called the "first oil crisis." They have continued because it has become clearer every

year that strictly national measures will not meet modern economic challenges.

The issue this time was energy — in effect, the increase in competition for oil. Despite tariffs and at times vehement arguments on how to deal with the issue, agreement was reached by general acceptance of two points: that the oil shortage is permanent, regardless of the effect rising prices have on demand, and that energy is the key to every

other economic problem, including inflation, economic expansion, unemployment, trade and currency values.

The final declaration at Tokyo said, "Energy shortages and high oil prices have caused a real transfer of income."

One by one, the heads of government explained that this would require changing the habits of their societies, redirecting investment and enduring the pain of transition to a new kind of economy. Otherwise, they said, there would be more inflation, more unemployment, lower living standards and possibly severe economic depression for all.

No Promises

There is no guarantee, as was pointed out by U.S. Energy Secretary James Schlesinger and other officials, that the agreement to restrict world demand for oil will bring everybody adequate supplies. But there is a common perception that continuing the recent scramble for supplies will drive prices up and hurt everyone, even the strongest.

Both the communiqué and several government heads, notably President Carter, deplored what they called the unwarranted price increases by the Organization of Petroleum Exporting Countries last week. But the leaders agreed that the only proper response was to limit demand in a reasonably fair way among consumers for the short term and to develop new sources of energy to reduce dependence on oil in the longer term.

Even with the price increase, there is more competition to buy oil now at \$18 to \$20 a barrel than there was when it was a couple of dollars a barrel.

In a way, although nobody wants to pronounce the dread words, the OPEC agreement to halt that demand and not to increase the demand for OPEC oil through 1985 amounts to a consumer's cartel.

The producers are expected to be more pleased than angered, however, because they, too, believe oil should be used gradually if their market is not to collapse in a worldwide economic recession.

Carb on Prices

The main purpose of the Tokyo agreement, Mr. Schlesinger said, was to "inhibit the capacity of OPEC to raise prices" in the years ahead by holding down the growth of demand.

But greater energy supplies are the basic requirement for economic growth, fairly full employment, rising or at least sustained living standards, and the reasonably balanced international exchange of goods and money that has promoted prosperity since World War II. And so, as Prime Minister Margaret Thatcher of Britain pointed out, energy has become the keystone of political stability.

Before this summit meeting, virtually all the other countries thought the United States did not recognize the permanent reality of the oil problem and accused it of seeking to live on oil.

Mr. Carter and his aides convinced the other leaders that this was not true and that he was prepared to lead the United States in an effective program to conserve oil and develop other energy sources. It is still hard for the Europeans to understand why the American public doubts the reality of global shortage, but they accepted the American pledge of restraint and gave similar specific commitments themselves.

All but West Germany's Chancellor Helmut Schmidt seemed happy that they had agreed on what were considered essential sacrifices. The Germans said, more or less privately, that their acceptance of a national import quota had been reluctant.

They had hoped that as Britain's oil imports declined because of its increasing North Sea oil production, the Common Market could import more.

EEC Unity

U.S. officials were agreeably surprised, they said, at the special cohesion of the four European Community members, Britain, France, West Germany and Italy. Their solidarity made the haggling with Canada, Japan and the United States more difficult, but that, too, was a reflection of the increasing recognition that economic problems require international solutions.

Mrs. Thatcher pointed out that their success in dealing with post-war reconstruction and growth in the third quarter of the 20th century had forced them to confront new problems of shortages in the fourth quarter.

The Tokyo agreement will not fill gas tanks tomorrow, as American officials noted, but it reduces the risk of everyone's running dry in the years it will take to wean the world from its consuming oil habit.

—TERENCE SMITH

...but U.S. Still Sets the Tone, Agenda at Summits

TOKYO (NYT) — When the presidents and prime ministers of the world's leading industrial democracies sat down to begin their deliberations in the ornate Akasaka Palace last week, Masayoshi Ohira of Japan took a minute or two to welcome his colleagues and then asked who would like to speak first.

Several seconds of silence followed as the six men and one woman glanced at each other and shuffled their papers. Then Jimmy Carter began, "I'd like to start off and give our view of the problems that confront us."

The fact that the American president broke the momentary silence and that the first order of business was the American appraisal of the world economic situation reflected a simple reality that profoundly influences the outcomes of economic conclaves such as the one convened last week. The United States still sets the tone and agenda for these exclusive gatherings, and the American president, notwithstanding his domestic political problems, is still the dominant voice.

In fact, given his embattled situation at home, the irony is that Mr. Carter probably has more influence, authority and clout at an international economic conference than at a meeting of the frequently rebellious Democratic National Committee. That is not to say,

however, that Mr. Carter's colleagues at these conferences do not feel free to argue, criticize or upstage him from time to time. They are all strong-willed, successful politicians.

The backgrounds, experience and different styles of the seven leaders, including the three new faces at this conference, offer a study in contrasts. And the personal chemistry among them, which often emerged in small ways, clearly affected the outcome.

The two senior figures in the club, in terms of time in office, are French President Valéry Giscard

d'Estaing and West German Chancellor Helmut Schmidt, both of whom have been in their present positions since May, 1974, and both of whom served as finance ministers before that.

Mr. Schmidt, according to people who attended the sessions, played his familiar role of the economics professor, painstakingly explaining the economic rationale behind recent developments and implying, in the process, that Germany had put its economic house in order more effectively than the other participating nations.

Giscard Was Cool

Mr. Giscard d'Estaing reportedly remained, as usual, cool and aloof. In a Newsweek interview on the eve of the conference, he sharply criticized the United States and, by implication, Mr. Carter, for failing to begin reducing oil consumption.

But participants report that he softened his tone during the actual talks and avoided any clash with Mr. Carter. When the French president agreed to back off from insisting on U.S. compliance with the six-year freeze on oil import levels that he and the other European Common Market leaders had adopted the week before in Strasbourg, France, this became a key element in the carefully constructed compromise on oil conservation that finally emerged.

Giulio Andreotti, the Italian prime minister, a wary, sardonic man with a reputation as a skilled, pragmatic negotiator, was forced into a secondary role by political difficulties at home.

Of the three new faces — Margaret Thatcher of Britain, Joe Clark of Canada and Mr. Ohira — Mrs. Thatcher made the strongest presentation. Participants reported, she argued strongly against government intervention in the market, and stressed her nation's need to curtail inflation. "She was forceful and articulate and not in the least intimidated by the company she was in," a U.S. official said.

Her presence tended to underscore the increasingly conservative bent among the seven. In the discussions, the emphasis was heavily on the virtues of the free market versus excessive government intervention, although all the participants acknowledged the need for government controls on oil imports.

Stiffness Subsides

The group became progressively more relaxed during its 14 hours together, including meals, but there was little outright humor in the formal sessions. Noting this, one participant lamented the absence of former Prime Minister Pierre Elliott Trudeau of Canada, who enlivened previous economic conferences with sharp and frequently sarcastic wit.

Outside the regular sessions, Mr. Carter met separately with Mrs. Thatcher and Mr. Clark, meeting them for the first time in their new roles.

Although Mr. Carter's domestic political troubles were apparent to all six leaders, the president reportedly made little mention of them during the sessions. "They all have their own problems at home," one American said. "If anything, they were probably sympathetic."

The gasoline lines and continuing trucker demonstrations at home were clearly on Mr. Carter's mind, however. On the opening day of the conference it was announced that he would skip a planned vacation stopover in Hawaii to return directly to Washington. Among other considerations, it would have been dubious politics for Mr. Carter to spend the July 4 holiday jollying under the palm trees while thousands of mainland Americans could not find enough gasoline to drive anywhere for the holiday.

In the end, it seemed clear that Mr. Carter's political infirmities at home had not hampered his style at the Tokyo conference or reduced his role in the discussions. The net result was what the United States delegation said it had hoped for from the outset, a coordinated approach among the seven to limit oil imports and a forceful expression of concern about the plight of the Indo-Chinese refugees from the Vietnamese.

Q. Well, are you going to increase? A. (Enigmatic smile.) Q. Why the mystery? A. It's not something Saudi Arabia can decide before we know how serious you're going to be about, one, cutting back and, two, a comprehensive, overall solution for the Middle East crisis, which must, first and foremost, mean a solution for the increasingly desperate Palestinian people.

Yamani Links Oil to Palestinian Issue

(Continued from Page 1)

Jerusalem. In the light of all these uncertainties, why shouldn't the consumers form their own cartel? A. The Western world cannot afford to embark on something that is bound to fail. You cannot risk the loss of credibility that such a failure would entail. If there's a shortage and someone offers you oil at, say, \$25, will you say, "No, I'll only pay \$14?" I doubt it. Besides, a cartel wouldn't help you. The sharing plan worked out by IEA [International Energy Agency]

is quite sufficient. Those who talk up a consumers' cartel are being emotional. Be realistic. Don't start something you won't be able to finish.

Q. To what degree do you feel that the failure to achieve a comprehensive Middle East settlement contributes to our oil difficulties?

A. For the time being, no immediate impact. But be very careful. Make no mistake about this, because there is a very real and very serious threat. We know from the Iranian crisis that the sudden absence of 3 million barrels a day from world markets, even at a time of surplus and extra capacity from Saudi Arabia, created panic. You can safely assume that now that we've lost that cushion, and if something happens in the area that causes a further drop of 3 million barrels a day, as it will may, the price will quickly shoot up to \$50 a barrel. Most of the Western world's plants would then have to close and it would be worse than the 1929 depression.

Q. What could that "something" be?

A. Look at what happened [last Wednesday] when the Israelis shot

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WEATHER

ALGARVE	26	Clear	MADRID	27	Cloudy
AMSTERDAM	25	Cloudy	MILAN	28	Sunny
ANTWERP	25	Cloudy	MONTREAL	22	Overcast
ATHENS	28	Clear	MOSCOW	21	Cloudy
BEIRUT	28	Clear	MUNICH	16	Cloudy
BELGRADE	28	Cloudy	NEW YORK	15	Overcast
BERLIN	15	Cloudy	NICHA	27	Cloudy
BRUSSELS	15	Overcast	OSLO	14	Shower
BUCHAREST	26	Cloudy	PARIS	15	Overcast
BUDAPEST	27	Clear	PRAGUE	27	Cloudy
CASABLANCA	22	Clear	ROME	27	Clear
COPENHAGEN	22	Shower	SOBIA	24	Clear
COSTA DEL SOL	28	Clear	STOCKHOLM	24	Clear
DUBLIN	15	Overcast	TEHRAN	27	Clear
EDINBURGH	15	Overcast	TEL AVIV	27	Clear
FLORENCE	26	Clear	TOKYO	27	Shower
FRANKFURT	16	Cloudy	TUNIS	21	Clear
GENEVA	16	Cloudy	VIENNA	19	Overcast
HELSINKI	27	Clear	WARSAW	17	Cloudy
HONG KONG	27	Clear	WASHINGTON	24	Sunny
ISTANBUL	27	Clear	ZURICH	14	Overcast
LAS PALMAS	27	Clear			
LONDON	22	Overcast			
LOS ANGELES	16	Cloudy			

U.S. Secretary of Defense William Clark said U.S. troops are being sent to South Korea to help with the war.



President Carter and Brig. Gen. Daniel Butler lead troops on a three-mile run in South Korea

Breakfasts at Camp in S. Korea

President Takes a 3-Mile Run With GIs

By Terence Smith

CAMP CASEY, South Korea, July 1 (NYT) — President Carter, an 11-year Navy veteran, got a taste of Army life yesterday at this sprawling infantry base 25 miles south of the demilitarized zone separating North and South Korea.

Rising at 5 a.m. after arriving from Tokyo Friday at the end of the seven-nation economic summit meeting, the president took a three-mile run with a company of soldiers, shared a breakfast of eggs, bacon, baked brown potatoes and grits with a group of enlisted men and was given a briefing on North Korean deployment just above the demilitarized zone.

A heavy gray mist clung to the green hills surrounding the base and intermittently heavy rain showers turned the dirt streets to mud.

At the morning formation in front of the headquarters of the 2d Infantry Division, the smoke from a 21-gun salute hung in the mist a few feet above the ground.

The rain did nothing to dampen the spirits of the men of the 122d Signal Battalion who ran with their commander-in-chief yesterday. They chanted as they ran: "Mr. President running with me."

Brazzini Runs Too

Mr. Carter, 54, dressed in blue shorts and a gray T-shirt, had no trouble keeping up with the troops over the three-mile course, which they covered in about 30 minutes. But some members of his staff who ran with him, including Zbigniew Brzezinski, the president's national security adviser, barely managed to bring up the rear.

After changing into a business suit, Mr. Carter spoke briefly to the men and women of the battalion. "I'm very proud of you, both as your commander-in-chief and as your president."

"I know all of you miss your families," he said. "But I can assure you that those of you who serve here are never forgotten by those at home."

Referring to the unit's motto,

"Fit to Fight," the president said: "I have no doubt you are fit to fight. But we will avoid combat by maintaining our strength."

"God bless every one of you, and thanks from the bottom of my heart."

The president then walked to the battalion mess hall down a road lined with troops in fatigues and caps, shaking hands and waving as he went.

On his arrival Friday at Kimpo International Airport in Seoul, Mr. Carter shook hands with President Park Chung Hee, who had not been scheduled to meet him until yesterday, and reviewed an honor guard lining a red carpet. The leaders were mobbed by photographers, and Secret Service agents had to clear a path for them.

Defense Route

Mr. Carter then flew by Marine helicopter to Camp Casey, where U.S. troops are stationed along a route that North Korean troops might take if they invaded the South.

The president, who was accom-

panied by Secretary of State Cyrus Vance, Defense Secretary Harold Brown and Mr. Brzezinski, greeted soldiers outside the commanding officer's bungalow.

A central question in Mr. Carter's talks with Mr. Park is the future of the U.S. troops who are still stationed here and at other bases below the demilitarized zone. Fulfilling a campaign promise, Mr. Carter decided shortly after taking office to withdraw all ground troops over a five-year period. He suspended the withdrawal in April, 1978, however, in the face of stiff congressional opposition.

Earlier this year, in light of intelligence reports indicating a significant buildup of North Korean forces above the demilitarized zone, the White House announced that the withdrawal order would be held in abeyance. South Korean officials have said that they hope that Mr. Carter will formally abandon the withdrawal policy during his visit, but White House officials have indicated that this is unlikely.

Mr. Carter returns to Washington tonight.

Carter, Park Ask N. Korea To Meet on Reunification

(Continued from Page 1)

U.S. military commitment to South Korea, particularly in light of the North Korean buildup. To underscore that point, Defense Secretary Harold Brown joined Mr. Carter here and held separate talks with South Korean defense officials.

According to a senior U.S. official, recent intelligence reports show North Korea to have twice the number of tanks and artillery as South Korea and large enough supplies of ammunition "to sustain an attack on South Korea for a considerable time — at least a number of weeks."

In response to this buildup, the official said, the United States has urged South Korea to strengthen its ground forces.

A major purpose of Mr. Carter's

visit to Seoul was to reaffirm U.S. military commitment to South Korea, particularly in light of the North Korean buildup. To underscore that point, Defense Secretary Harold Brown joined Mr. Carter here and held separate talks with South Korean defense officials.

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A major purpose of Mr. Carter's

W. Germans Hit the Road at High Speed

(Continued from Page 1)

the organization, more than double that of Britain, which has about the same population. The defenders of high-speed driving have insisted that the rate is lower on the autobahns than on lesser roads here with speed limits.

Although no direct connection between accidents and high speed is suggested, Kurt Nisch, president of the German Child Protection Agency, says drivers have developed "an elbowing mentality," and Wolfgang Wuthe, spokesman for the German Automobile Club, concedes that "years of begging the German driver to change his habits, to consider fellow drivers as partners, not competitors, on the road, has not made any appreciable change in his aggressiveness."

Car-rental agencies say they occasionally have complaints from foreign tourists about highway speeds and driving habits. "An American gentleman picked up a car at Frankfurt airport once," recalled Sigurd Ueberholz of Hertz Rent-a-Car, "took it out on the autobahn, left on the next exit and brought the car right back. He was pale and ordered a taxi. All he said was, 'Too damn fast!'"

Curiously, in the discussion of speed, the safety issue was barely mentioned. It began with an official leak to newspapers that action on the issue could no longer be excluded. The leak was accompanied by figures showing there would be a 0.5 percent savings on fuel if an 81-mile-an-hour limit was imposed, 1.8 percent if the limit was 75 and 5 percent if it was brought down to 62.

The effect was violent. The Minister of the Economy, Otto von Lambsdorff, a member of the Free Democratic Party, the Social Democrats' partner in the governing coalition, was quoted as saying, "If we have speed limits, we will soon be building cars that are as miserable technically as the Americans."

The strongest note was sounded by Achim Dickmann, a spokesman for the Automobile Industry Association, an organization of manufacturers and suppliers. "Until

now," he said, "the German auto industry was the locomotive for all our industry. If this locomotive is derailed because of speed limits, then there could be unthinkable damage to the German economy."

If Mr. Schmidt had intended to offer speed limits at the Tokyo summit as a sign of West German willingness to limit energy consumption, or to make a similar proposal in a state of the union speech here this week, the reaction to the story has since floored him that it was not worth the political risk. By Wednesday he could say, "I do not have the impression that the government is going to propose speed limits at present."

...as U.S. Tries to Adjust To New Limits on Energy

(Continued from Page 1)

fast with their own anxieties, their feelings of ineptitude, of weakness, their own limits." Such people, he says, are prone to violence.

More than that, Dr. Lazarus says, many ways when we talk about the American way, we are talking about freedom. About more choices, about freedom. In this way, the American way becomes linked to the view of the country and its future.

Further, Dr. Lazarus suggests that the widespread popular unwillingness to believe that there is a conspiracy by the oil companies — is essentially a denial reaction. "The only way we can handle this kind of dramatic reversal," he says, "is by ordinary Americans are reaching with their emotions and have not yet had time to sort out their thoughts, some historians, sociologists, economists and energy experts are beginning to do so. Among such people questions about the society's future are being raised."

There is widespread agreement among those interviewed in recent days on two points: that the energy squeeze will create a major, perhaps cataclysmic, influence in the next 10 to 20 years and that this summer's chaos and nagging worries are only the beginning.

Dr. Ray Billington, a historian and senior research associate at the Huntington Library in San Marino, Calif., says, "We have reached the limits of the past type of life that we've been able to enjoy in this

country." Dr. Billington has concluded that the 1970s are a watershed decade, the decade that future historians will judge to be the one in which values stemming from the American frontier began yielding to European ones.

American society as it has been known may be in the late afternoon of its life, he says, and one of the major political consequences of this may be increasing government control over everyday life as society's resources steadily dwindle.

"It may be a very long twilight of course," he said. "There's got to have to be a permanent adjustment in mentality, and I'm not going to take years or decades or even a century of agony to adjust to it."

With a grain of salt, the mean dramatic outlook, say independent observers.

The catch, Mr. Mitchell believes, is that instability in the Middle East could drastically upset the energy situation.

Over all, Mr. Mitchell says, "This is as serious as World War was. We rolled up our sleeves and won that in four years. This going to take 15, and I don't think Saudi Arabia, or one of the others, will last that long."

مكة: من الأصل

Because of Higher Crude Oil Prices Set by OPEC

Carter Says Recession Chance Increases

OLULU, July 1 (UPI) — President Jimmy Carter said today that a recession is much more likely to occur than he would like to see.

Administration officials also said that the recession is more likely to occur than they would like to see.

The OPEC decision will increase the price of oil by 25 percent in the first half of 1979, and by 25 percent in the second half.

He said the situation "may cost \$800,000 jobs."

The president made the assessment aboard Air Force One on his flight home from South Korea, the last stop of his eight-day Asian tour.

The administration official who made the growth rate forecast said that there may be a "negative growth rate" for the remaining quarters of this year. Two negative quarters by definition constitute a recession.

Mr. Carter said that the United States and all the advanced countries will suffer economically as a result of the 60-percent cumulative increase in OPEC prices in the last six months.

He said that the administration Carter said that he is still opposed to mandatory wage-price controls.

An administration official said

is preparing a new standby gasoline rationing plan with the aid of key members of Congress. The House overwhelmingly defeated a standby rationing plan he proposed earlier this year.

Mr. Carter admitted that he was less optimistic about the overall economy, while an official estimated that the nation's bill for imported oil next year will be \$70 billion.

Asked what could be done about the increase in oil prices, Mr. Carter said, "I'd rather not go into that. I'll let the press speculate about that."

Despite the predictions, Mr.

that Mr. Carter is not contemplating a tax cut at this time to stimulate the economy, but "I can't say we will never do that."

Mr. Carter discussed that with the help of House Speaker Thomas O'Neill, D-Mass., and Senate Majority Leader Robert Byrd, D-W.Va., he is creating two bipartisan task forces — one on energy and the other on inflation — which will include members of the Senate and House, and the administration.

Their goal is to encourage closer cooperation from Congress on those problems.

The president said that as soon

as Congress returns from its Fourth of July recess, he expects to meet with the leaders on ways to expedite action on the windfall oil profits tax, the energy trust fund and synthetic fuels legislation.

Mr. Carter said that he met with Rep. O'Neill and Sen. Byrd before departing on his trip to discuss organizing the task forces, and told them to provide the names of Democrats and Republicans who would serve on the panels.

The president said that the first order of business would be to devise an acceptable standby gas rationing plan.

Energy Squeeze Predicted

Shortfall Revealed in Soviet Oil Output

By Craig R. Whitney

MOSCOW, July 1 (NYT) — While the leaders of the capitalist industrial nations struggled in Tokyo with their energy problems last week, the leaders of 10 Communist countries were gathering in Moscow to struggle with theirs.

Comecon, the Soviet-led Council for Mutual Economic Assistance, ended a three-day meeting celebrating its 30th anniversary Friday. During the session it was revealed that the Soviet Union, the group's principal supplier of oil, was falling short of its planned production for the second straight year.

Pravda revealed that the shortfall was 3 million metric tons, or 435,000 barrels, in the first five months of this year, although oil production was scheduled to increase by 21 million metric tons to 593 million metric tons by December.

Two weeks ago, a decree of the party's Central Committee ordered the oil industry to make up lost production by the end of this year to relieve an energy squeeze that has slowed economic growth for two years.

More Gas

Soviet oil production was 3 million metric tons short of its target last year also, causing greater use of natural gas, more of which is being produced this year than was planned, according to Pravda. Continuing problems with discovery and production of oil under Siberia's difficult conditions make it unlikely that Soviet oil production will reach the goal set for it in 1980, which is 620 to 640 million metric tons a year or 12.4 to 12.8 million barrels a day.

Partly because of this and partly because of reports about oil shortages in the United States, there are rumors in Moscow that the price of gasoline will double. The last increase was by 100 percent on March 1, 1978, and it now costs the equivalent of 83 cents to \$1.10 a gallon.

A commentary by Tass noted that the prices of gold, furs, cosmetics, caviar and alcoholic beverages had risen but said nothing about gasoline, which may mean that the rumors are wrong.

Walkie-Talkie In Haig Attack Bought May 14

BRUSSELS, July 1 (AP) — The walkie-talkie believed used in last Monday's attempted assassination of Gen. Alexander Haig Jr. was bought in Antwerp May 14 by a man falsely identifying himself as Jorgen Lesley of Brussels, according to investigators.

The information has led officials to believe that the attack on Gen. Haig, who retired Friday as the supreme commander of the Atlantic alliance, was planned well in advance.

While Gen. Haig was driven to work near Casteau in southern Belgium a remote-control land mine was detonated under a small bridge just after his limousine had crossed.

The blast damaged the rear of Gen. Haig's car, and three guards in a second vehicle were slightly injured. Police found wires running from the bridge to a command detonator 173 meters away. Near the detonator they found the walkie-talkie and a construction worker's helmet.

To date, three groups have claimed responsibility for the attack.

78 Million in Pakistan

KARACHI, Pakistan, July 1 (AP) — Pakistan's population is estimated at 77.8 million and it will double in 23 years with an estimated 3-percent annual increase, officials said yesterday.

The Soviet premier, Alexei Kosygin, promised the Comecon delegates last week that the Soviet Union would meet obligations to provide 370 million metric tons of oil to member countries during the five-year period ending in 1980. Nikolai Fadzeyev, secretary of the organization, said that Soviet oil deliveries to Moscow's economic allies were 60 million tons a year.

The Soviet Union provides oil to all East European Comecon members except Romania. The price is computed on the basis of the average Western price for the last five years, so last week's decisions by the Organization of Petroleum Exporting Countries to raise the price to close to \$20 a barrel means energy will also gradually become more expensive to the Communist world.

Moscow's allies also use Western currency to buy considerable oil from OPEC.

The Pravda article reporting the oil shortfall also said Soviet coal miners, who fell far behind the planned production of 746 million tons last year, were doing better this year and were 4.7 million tons ahead.

Mr. Kosygin told a Comecon session that the solution to energy problems here lay in the expansion of nuclear power.

"The joint program worked out by us to create an atomic energy system will yield an increase in power equivalent to more than a third of the entire present capacity of the Comecon countries," including Cuba, Mr. Kosygin said.

At the end of the session in Moscow's "House of Columns," he added that the Comecon countries had concluded 14 economic agreements. One provides for Soviet-Czech production of atomic power stations to provide 37 million kilowatts for Eastern Europe and Cuba by the end of 1990.

Mr. Fadzeyev said the nuclear program, which also commits the Soviet Union to build 113 million kilowatts of nuclear capacity by 1990, would result in savings of 70 million tons a year of conventional fuel. The total production of Soviet nuclear power plants that are scheduled to be operating by next year is less than 20 million kilowatts.

Electoral Change In Berlin Assailed

WASHINGTON, July 1 (AP) — The governments of the United States, Britain, France and West Germany have issued a joint statement expressing concern at reports that the parliament of East Germany has decided to let East Berlin directly elect the members who represent it there.

This would constitute a change in the previous practice of nomination of deputies by the magistrate of East Berlin, according to the communiqué made public by the State Department.

The communiqué recalled a declaration of May 9, 1977, by the United States, Britain and France that the special area of Berlin could not be changed by the action of a single country. They maintain that they and the Soviet Union have special rights and responsibilities in all of Berlin, growing out of World War II.



SEA PRIZE — A great white shark, 13 1/2 feet long, is hoisted onto a truck Friday in Center Moriches, N.Y. The shark was harpooned about 15 miles off the coast and took about 15 hours to be controlled and towed back to shore.

U.S. Heating Oil Supply Adequate, Congress Told

WASHINGTON, July 1 (WP) — Deputy Energy Secretary John O'Leary Friday gave Congress "total assurance" that the nation's supplies of heating oil will be adequate next winter.

"Our dedication to this proposition, that people are not going to freeze in their homes," Mr. O'Leary said at a House hearing, "is such that if need be, we will take steps that could force disruption in the supply of gasoline and other oil products."

Because of recent data suggesting that refiners increased production of all oil products in mid-June, Mr. O'Leary predicted that the government would not have to order cutbacks in production of gasoline to assure adequate heating oil supplies. But he said "we would have no reluctance...to order (production) shifts" if that appears necessary later this summer.

The Energy Department reported Friday that U.S. refiners operated at 87 percent of capacity last week, up from 84 percent earlier this month.

Mr. O'Leary called the increase

"quite good news," but added the caveat that one week's data might be misleading.

Mr. O'Leary and an aide, Jim Peterson, said reports published Friday were wrong in suggesting that crude oil production from U.S. wells dropped this spring.

They said that report was based on preliminary data which they consider wrong. Mr. O'Leary then produced a blackboard-size chart indicating that domestic crude production is running at about the same level as in 1978.

That answer prompted a new round of questions, pressed most strenuously by Rep. Richard Ottinger, D-N.Y. If domestic crude production is not down, Rep. Ottinger asked, and crude oil imports are up from 1978 levels, why is the oil industry delivering less gasoline to its customers?

Mr. O'Leary said, as the major oil firms have been saying, that gasoline production is below last year's levels because last year the industry had a larger reserve of crude oil to draw from during the summer months.

Billion-Dollar Proposal

U.S. Considers Funding Latin Energy Exploration

By Judith Miller

WASHINGTON, July 1 (NYT) — The Carter administration is weighing a proposal to establish a billion-dollar regional development fund to encourage energy exploration in Latin America, government officials said yesterday.

The fund, which is being promoted by the Inter-American Development Bank — the largest and oldest of the regional development banks — would provide guarantees for bank loans and would insure investors that develop or explore for oil, gas, and mineral resources in Latin countries.

Bank officials believe that U.S. interest in the project and other efforts to develop energy resources outside of the Gulf has been intensified by the 24 percent oil price increase imposed last Thursday by the Organization of Petroleum Exporting Countries.

According to development bank officials, Japan, Switzerland, Finland, the Netherlands, and other bank members have privately indicated support for the concept, but they are awaiting a final U.S. decision on whether to contribute to the fund.

Decision Soon

At the bank's annual meeting in Jamaica last month, Anthony Solomon, Treasury Department undersecretary for monetary affairs, told Antonio Ortiz Mena, president of the development bank and former finance minister of Mexico, that the administration was considering the project and would decide on participation soon.

"We think the concept makes a lot of sense, and we've been studying it sympathetically, with an eye to resolving some of the problems we see," said one Treasury official.

Among the nations that would be eligible for fund-insured or guaranteed projects is Venezuela, a member of OPEC that increased its oil prices last February by more than \$2 a barrel, or about 14 percent. Although Venezuela is currently the world's sixth largest oil exporter, proven oil reserves are expected to last about 20 years. Venezuela must find new oilfields if it is to remain a major exporter.

Several Latin American nations, including Argentina, Peru, Colombia and Jamaica have expressed enthusiasm about the concept. While these countries have been eager to encourage energy exploration within their boundaries, many have resisted projects funded or guaranteed solely by U.S. oil companies or the U.S. government. Generally, outside of Venezuela, South Amer-

can oil funds and production have been modest.

Bank officials have asked the United States, traditionally the bank's largest contributor, to make an initial contribution of \$375 million for insurance and \$175 million in guarantee authority. The so-called Inter-American Energy and Minerals Fund would not come into existence unless three other nations were willing to contribute a total of \$550 million for insurance and guarantee operations.

Treasury Department officials are known to be concerned about the suggested high level of U.S. participation in the fund, which would be higher than U.S. presence in any other multilateral organization.

Congress recently approved a resolution that directed the United States to contribute no more than 25 percent of the funds for any multilateral institution.

Considerable Clarification

In addition, one Treasury Department official said that the proposal required considerable clarification. The U.S. has been asked to put up 50 percent of the capital, one official said, but there is no discussion in the proposal about how, for example, voting rights would be allocated.

The World Bank recently floated a proposal to establish a revolving fund to finance oil exploration outside the Gulf area, but the idea failed to win the Carter administration's support. The Inter-American Development Bank's proposal, however, is given a better chance of success, according to government officials, because it is smaller scale and targeted to a specific region.

Carstens Inaugurated W. German President

BONN, July 1 (UPI) — Carl Carstens, a Christian Democrat whose candidacy had been criticized because of his Nazi past, today was inaugurated to a five-year term as West Germany's fifth president. The former speaker of Parliament said the country has not abandoned its goal of German unification, although it is a long way off.

"We all are agreed this goal is inseparable from a European peace settlement, and everyone knows we have a long road to travel for that," he said. "In the meantime, we must live with the division and attempt to alleviate its effects as much as we can." Mr. Carstens called close cooperation with the United States an essential part of West German policy.

Russia Sharply Increases Range of Consumer Costs

By Anthony Austin

MOSCOW, July 1 (NYT) — The Soviet government has ordered sharp price increases for a range of goods, from carpets to cars, with the apparent purpose of soaking up the excess savings of the minority Soviet consumers that can afford luxury goods.

The move, announced over the weekend, goes into effect tomorrow. But, like the order of March 1, 1978, that doubled the price of gasoline and tripled the price of coffee, new price increases will leave Soviet citizens — perhaps 90 percent of the population — affected because they seldom are able to buy the products involved.

Increases, as set forth by the government, are as follows: Carpets, rugs, and sheepskin coats are to go up 50 percent. These items have been in particularly short supply, because so many of them are imported, and it is a fortunate few who can sport anything

better than rabbit fur for headwear during the Moscow winter.

Jewelry made of gold and silver is also to go up by 50 percent. These items are widely favored as a form of savings. Making them more expensive would tend to encourage people to spend money on other things. Imported furniture, which comes mostly from Eastern Europe and is greatly preferred to the domestic product, is to go up by 30 percent. Food and drink in restaurants and cafes is to go up in the evenings by 25 percent to 45 percent.

Soviet-made automobiles are to go up by an average of 18 percent. That would raise the price of the Italian-designed Soviet compact, Zhiguli, to about 6,000 rubles, or about \$9,000 at the official exchange rate.

However, for the well-off minority eager to have a car, the main problem has never been the price but the long waiting period, which can be several years, and this is not likely to change. For the average Soviet family the price increase means little because a family's chances of owning a car in the foreseeable future are slight.

Some Western observers think this measure may have the additional purpose of earning more hard currency from the foreigners who live in Moscow and pass through as tourists. They must change their dollars, marks and yen into rubles for dining in the capital's better places. Prices in cafeterias and snack bars remain unchanged.

Turkish Killings Laid to Terrorists

ISTANBUL, July 1 (AP) — Security authorities said yesterday that at least three persons were killed in weekend attacks suspected to have been carried out by leftist terrorists in scattered parts of violence-plagued Turkey.

In a gun and bomb attack last night at the Ankara headquarters of the right-wing National Movement Party, two persons were killed and 10 were wounded. And Bekir Sendimen, a lawyer and district chief of the ultra-rightist National Action Party was shot when his car was intercepted here Friday by two gunmen.

year Dispute over Drug Ends with FDA Ban

WASHINGTON, July 1 (NYT) — After seven years, of scientific, legal and legal wrangling, the Food and Drug Administration finally banned the hormone DES (diethylstilbestrol), a useful in fattening cattle but cancer in humans.

Donald Kennedy, the commissioner of Food and Drugs who was in office to return to Stanford University in California, announced the ban and said that it was to all shipments of DES by July 3 and all use of DES in cattle by July 20.

The cattle industry had successfully fought off a ban by a complex series of legal actions that began in 1972. While industry men declined comment on the agency's action, in the past have said that the continued use of DES was important to bold increases in beef prices.

The first attempt to ban DES came early in 1972 partly as the result of a legal action instigated by the Health Research Group, a Washington lobbying group allied with Ralph Nader. The allegations of this and other organizations were that DES, a synthetic estrogen, has been known for many years to cause cancer. DES was widely prescribed to pregnant women in the 1940s and 1950s and was implicated in certain types of cancer and birth defects among the children born to the mothers who took it during their pregnancies.

Dr. Kennedy's action Friday stemmed from a ruling by an FDA administrative law judge last September 21. The judge upheld the agency's contention that since DES was in fact cause cancer in humans the law does not allow DES residues to be included in meat.

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British Unrest Continues

Strikes Abound as Thatcher Warns Unions

By Leonard Downie Jr.

LONDON (WP) — Is today the one-day air traffic controllers' strike? No, that was last weekend. It kept millions of business travelers and vacationers from entering or leaving Britain.

Then is it the start of a series of national one-day strikes by more than 2 million engineering and electrical workers that threatens 650 manufacturing firms and the country's electrical power system? No, that is still a few weeks away, and would be avoided if the unions are given a better pay-rise offer.

What about the London subway strike? No, that one was avoided for now by a higher pay offer, although service is still disrupted almost every day by normal staff shortages and people who just stay home from work. Check the chalk board in the subway station to see if the trains are running on time today. The same goes for commuter trains.

Oh yes, of course, it is the strikes by the civil-servant unions at the Post Office, which in Britain is in charge of the telephones as well as the mail. That is why the Post Office asked everyone in Britain and especially London to stop mailing letters for a while, and why it is impossible to get a telephone installed, and why the quarterly bills for those who do have telephones have not come out for months.

Ingenious Strikers

The civil servants are ingenious strikers. Instead of pulling everybody off the job throughout official administrative all over the country, they specialize in hit-and-run strikes in selected sensitive parts of the giant government machine. The strikes are small, but their effects are big.

A few days ago just five persons who are in charge of distributing stamps to all of Britain's post offices went on strike. If they stay out, there will be no stamps in any post office in just a few weeks. In London, where stamp volume is greater, the shortage could be felt much sooner.

London is already suffering the worst effects of other disruptive labor actions and a growing staff shortage in the Post Office. With mountains of unsent mail building up, the Post Office can take no more. If the public does not heed its plea to stop mailing letters, it may do what it did only a month or two ago: close the openings on most mailboxes.

A strike by 650 more civil servants who normally run the computers for the telephone division of the Post Office has stopped the flow of telephone bills to customers and money back to the Post Office. That strike, other "job actions" and staff shortages have put off installation of new telephones for months into the future. Businessmen who move their offices or build new ones here cannot get telephone or other communications equipment installed or hooked up to the telephone lines for up to two years. This is beginning to discourage businesses from moving to or staying in London.

And it is only summer. The really big, disruptive strikes come in

autumn and winter — like the strikes last winter by workers in trucking, the auto industry and local government that helped defeat the Labor Party in last month's national elections. Already there is talk of more strikes this fall and winter because the unions are unhappy with the economic policies of Prime Minister Margaret Thatcher's new Conservative government, and because they believe that their members must get large raises — 20 percent or more — to cope with the fast-increasing rate of inflation here.

The civil servants who, beginning while the Labor Party was still in control of the government earlier this year, have hit with selective strikes everything from the Post Office, airports and computers that run much of the government to naval bases and munitions factories that make the army's bullets, want pay increases of as much as 30 percent. So do the engineering and electrical workers who are threatening to cripple much of British industry.

Clearly salaries are low now in places like the profit-making Post Office. Europe's largest single commercial employer (although it is government-owned), where many workers still have a six-day week. The unions say that the low salaries, long weeks and overnight shifts are the reasons for the serious staff shortage, in a time of rising unemployment, and that the staff shortage in turn is the real cause of the rapid deterioration in mail and telephone service. Transportation union leaders say that these same problems are responsible for the staff shortages that have disrupted subway and train services.

The unions of lower-paid workers are unhappy that Mrs. Thatcher gave raises of 25 percent and more to the military, police, doctors and dentists of the National Health Service, and senior government officials right after becoming prime minister. Nor are they impressed by her tax system, in which upper-income families, including those of higher-paid workers, got the biggest

income-tax cuts, while everyone has to pay much higher sales taxes.

Leaders of the Trades Union Congress, Britain's more widely representative equivalent of the AFL-CIO, said all this last week at their first meeting with Mrs. Thatcher since she took office. They also complained that her planned cuts to government spending and the selling of some government-owned industries threatened to add significantly to Britain's already rising unemployment rate.

They told Mrs. Thatcher that they did not think her intended shift of the economy from heavy government involvement to greater private enterprise would work, or that her shift from income to sales taxes would eventually make everyone better off, as she says it will.

Mrs. Thatcher told them she agreed that increasing inflation (more than 10 percent now and expected to reach nearly 20 percent by year's end) and unemployment (heading toward 1.7 million next year out of a labor force of 27 million) were worrying problems. But she said that more jobs could be created and wages raised only if everyone worked harder to expand the economy. And high wage demands and settlements, she warned, could only lead to the loss of more jobs in an economy as static as Britain's is at the moment.

So the labor leaders decided to take their case to the public, as Mrs. Thatcher successfully did with hers during the election campaign. They said that they would mount their own national campaign to win public support for the government-run economy and expanding welfare state from which Mrs. Thatcher wants to move Britain away.

They say that they are not seeking nasty confrontation, although individual unions may strike for wages high enough to stay ahead of inflation. Mrs. Thatcher and her lieutenants have also said that they do not want a confrontation, and they have decided to wait several months before trying to legislate changes in British labor law that would curb some of the unions' powers.

200,000 Homeless Boys Living in Istanbul Streets

By Nicholas Gage

ISTANBUL (NYT) — Senol Sahin, 14 years old, has a thatch of blond hair, large, mournful hazel eyes and only one arm. The other was amputated when he was 6, after an accident that he says his stepfather caused in order to make him more effective as a beggar. Senol is one of thousands of homeless "street boys," some as young as 8, who roam downtown Istanbul shining shoes, stealing automobiles, peddling black market cigarettes, begging and working as prostitutes. At night they sleep in doorways, parks, or abandoned buildings, or in hollows in the city's ancient fortifications.

Huseyin Bilgin, who has been director of the police department's Children's Bureau since it was set up in 1961, estimates that there are 200,000 "children in need of protection" in Istanbul alone. Periodically, the police sweep up boys off the street and take them to the bureau as vagrants, but they are turned out quickly because there are only 20 beds. If a child's address can be found, he is sent home, usually to a poor area of eastern Turkey. If not, children up to 10 are placed in special schools.

"But if they are in the range of 12 to 15, we call them unplaceable," Mr. Bilgin said. "There is nowhere we can send them, especially if they've developed bad habits such as homosexuality, thievery and drinking."

Turkish film director Omer Kavur got to know dozens of homeless boys while preparing a movie about them. "They run away from home,

or their parents go to Germany to work and leave them behind, or simply throw them out," he said. "When they come to Istanbul, many are recruited by gangsters and trained to steal, or sell smuggled cigarettes. Some are sold to homosexuals for as little as five liras (11 cents)."

Ali Selik, a handsome, dark-eyed boy, sells cigarettes and sleeps in the large Taksim Park near the Hilton Hotel. On cold nights he huddles for warmth with other boys from his native city of Diyarbakir in eastern Turkey. Like Senol, he claims to be 14 but appears to be closer to 10. Although he has been sexually approached, Ali says that he has never been raped. "They don't dare bother us," he boasts, "because they know we're Kurds."

A dozen boys interviewed in the streets all said that they had been taken to the Children's Bureau at least once. Most claimed that they were beaten there — hit with sticks on the hands or the soles of the feet.

Mr. Bilgin admitted that the children were sometimes beaten. "We ask questions, the child gives us a false name and says he's from Izmir. We call Izmir and no one knows him. Then he tells another lie. Then we must beat him, and finally he begins to tell us the truth."

Mr. Bilgin believes that the only way to help the unplaceable boys and get them off the streets would be a private foundation that he hopes to set up with sympathetic psychologists, doctors and teachers.

Senol, who is called Kolsuz or "armless" by the other boys and comes from the Black Sea district, said that he lost his arm when his stepfather made him climb a utility pole without telling him the wire at the top was electrified. The boy grabbed the wire, fell, and his arm eventually became gangrenous and had to be amputated. When asked what he thinks his stepfather's motive was, Senol whispered, "To make me a beggar."

Mr. Bilgin said that up to a few years ago, his bureau did find some cases of parents breaking children's limbs to enforce their value as beggars. "But we've made such a struggle against it that you don't see it often any more."

As a beggar, Senol became the chief support of his family, bringing home \$11 to \$13 a day. But, he said, "it made me ashamed," so he ran away to Istanbul, where he soon discovered that there was no work for him other than begging. Then, five months ago, a tourist handed him a 500-lira note — about \$11. He used the windfall to buy himself a bright yellow and black jacket which hides the stump of his arm. At about the same time he resolved to give up begging and turned to selling smuggled cigarettes, even though it is less profitable.

Like Ali and hundreds of other street boys, he gets the cigarettes from smugglers who assign them specific corners. A pack of cigarettes smuggled in from Bulgaria sells for 50 liras — about \$1.10. A boy can sell up to 15 cartons on a good day, grossing 7,500 liras, or about \$165, for his supplier, who then gives him a daily wage of 200 to 400 liras, or about \$4.40 to \$8.80. "Of course, you have to give three to five cartons as bakshesh to the police," said Vadi Guleryuz, 15, another street boy.



SOVIET SEA POWER — The Soviet aircraft carrier Minsk, carrying vertical take-off and landing Yak-36 fighters, has reportedly entered the Sea of Japan. Photo by Kyodo news agency.

Assist Temperance Campaign

Soviet Ex-Drinkers' Clubs Battle Bottle

By Dan Fisher

TARTU, Soviet Union — Every man, according to a popular Soviet saying, is entitled to one tank-car of vodka in his life. Eino Kolga had had his by the time he was 29. "There were a lot of problems then," he mused in an interview here. "The future was like a fog."

Now Mr. Kolga's future is not quite so foggy, thanks to a novel — for the Soviet Union — organization for recovered alcoholics that was founded in this Estonian university town about 110 miles south of Tallinn. Mr. Kolga is a founding member of Tartu's Anti-Bacchus Club, a fraternity of former problem drinkers that takes its name from the ancient Greek god of wine and revelry.

An alcoholic writer came up with the name when he and 21 others formed the club 10 years ago. Anti-Bacchists swear off drinking "completely and forever" and try through a combination of personal example and "anti-alcohol propaganda" to help others "avoid the trap of alcohol," according to the club's bylaws.

Members are expected to help one another with personal problems and are forbidden to discuss the personal affairs of fellow Anti-Bacchists outside the club. They share experiences and attend social functions and informational meetings about the ravages of alcoholism. They campaigned successfully for the creation of a local night spot that serves only nonalcoholic beverages.

Temperance Societies

A Soviet writer has referred to the Tartu club and similar groups that have sprung up in other Soviet towns as "a human form of Alcoholics Anonymous." The attempt to differentiate the clubs from their closest Western counterpart appears only stems from the Kremlin's avowed atheism. While not a religious organization, AA, in its suggested program of recovery, does speak of God and of a "spiritual awakening."

In their emphasis on anti-alcohol propaganda, the Soviet clubs are more like the old American temperance societies, which advocated prohibition, AA, since its founding 44 years ago, has assiduously avoided involvement in the temperance movement.

"It is Russia's joy to drink; we cannot do without it," St. Vladimir, the first "Prince of All Russia," is supposed to have said a millennium ago. Communist ideology insists that the Bolshevik Revolution eliminated the social causes of alcoholism along with "class inequality." But alcoholism appears to be as serious a problem as ever.

Many officials are still reluctant to talk, but alcohol abuse is now discussed more openly than perhaps any other social evil. Alcohol is blamed for up to half the divorces in the Soviet Union. 90 percent of the absenteeism, two-thirds of the serious industrial and traffic accidents and a large share of the sharply increasing number of juvenile crimes.

"The degradation of the alcoholic is the same everywhere," said Dr. Yuri Aaseo, head of the Tartu Psycho-Neurological Hospital. "America, the Soviet Union, Finland — it makes no difference." First the alcoholic loses his bonus for good

work, then he is disciplined on the job, he loses his family, he goes to jail.

Anti-alcoholism efforts in this country have produced a flood of mostly moralistic articles and television programs in the state-controlled media. Severe cases receive compulsory medical treatment, which typically includes a "drying-out" period followed by hypnosis or chemical injections designed to make the patient violently ill at the mere thought of taking a drink.

Many alcoholics wind up like Karl Enengor, a member of the Amethyst Club in Riga. Alcoholism had pushed his marriage to the brink. At work he was so shaky that one day he spent half an hour trying to put a nut on a bolt. He was treated at a local clinic and vowed to change his ways, but when he was released he joined his old drinking pals to celebrate and he was right back on the alcoholic merry-go-round — until he found the Amethyst Club.

Alcoholism specialists here are looking more and more to clubs like Anti-Bacchus and Amethyst for pick up where the clinics leave off, since an alcoholic may be able to do for another what the doctors cannot.

Idea Catching On

Nobody knows for sure how many anti-alcohol clubs there are in the Soviet Union today, but clearly the idea is catching on. At least 10 have been mentioned in the Soviet press lately. Dr. Eduard Babayan, chief of the Soviet Health Ministry's Department for New Treatment Methods, estimated that they may number more than 100. Impressed by the lower recidivism rates that they say are typical of club members, officials at the Health Ministry are drawing up recommendations for the establishment of a nationwide network of voluntary societies.

Only 17 percent of the Anti-Bacchus club's 74 members have started drinking again, according to Dr. Aaseo. Candidates for club membership are nominated by a doctor and voted in by the members. Usually, Mr. Kolga said, new members have already been sober for at least six months. Once accepted, the new member is on probation for a month.

"If a member breaks the club rules and starts drinking, the other members ostracize him as a person incapable of friendship and loyalty to his comrades," according to a recent report on the club.

Members elect a board of directors from among themselves, reserving one place for the city's chief anti-addiction specialist. His job, according to the bylaws, is to "direct the psycho-neurological work of the club." He has veto power over all decisions. "It's very important to have anti-alcohol specialists, so that the scientific level of the club's work is high enough," Dr. Babayan said.

For the time being, the biggest stumbling block for the clubs may be the idea, deeply ingrained in this society, that not to drink is a social insult. "My husband could go to church and none of his friends would think much about it," a Russian woman said. "But if he ever joined one of those clubs he couldn't show his face again."

"No one would try to persuade a

person who has just been cured of pneumonia to take a dip through a hole in the ice," a Soviet journalist said in an article on the Anti-Bacchus Club. "But many are ready to get a person started drinking again once he has quit. 'All right, so you quit. One little glass won't do you any harm.'"

It is clear that the clubs fill a need. Mr. Kolga received a letter recently from an alcoholic in the Estonian city of Kustanai, who wrote: "I envy you because you are together. I also was cured and wanted to start a new life. But I have absolutely nowhere to go. I feel completely alone."

— Los Angeles Times

73 to Review Draft of Iran Constitution

From Agency Dispatches

TEHRAN — Iran's revolutionary regime yesterday announced details of a 73-member assembly of experts to review a new draft constitution to transform Iran into an Islamic republic. Some current or former officials who served after 1962 are barred from the assembly. The assembly, to be elected in the last week of this month, will discuss changes to the draft before submitting it to a national referendum expected to be held this autumn. The draft, published June 18, would set up a state based on Islamic principles and with executive power shared by a president and a prime minister.

Some liberal politicians had demanded a constitutional assembly of more than 400 persons, but Ayatollah Ruhollah Khomeini, the revolutionary leader, argued that this could cause dangerous delays.

Members of the 73-person assembly will be elected from among candidates who must believe in the Islamic republican order of Iran and be faithful to this order, and who must also be known for their political, economic and social activities. Interior Minister Hashem Basbajian said on state radio yesterday. Four of the 73 delegates will represent Christians, Jewish and Zoroastrian religious minorities.

Barred from the assembly or from voting in the elections are senior officials of the present government and officials of the deposed shah's regime from 1963 until the February revolution. The minimum voting age will be 16.

Meanwhile, armed followers of a prominent ayatollah's son held a Syrian Arab Airlines plane and its passengers at gunpoint for three hours today at the Tehran airport until authorities allowed their leader to board the plane without a valid passport, Iranian state radio reported.

The radio said that the government allowed Abbas Gholam Mohammed Montazeri, son of Ayatollah Hossein-Sai Montazeri, to leave with a friend, Asghar Jamali-Fard. Neither had valid travel documents.

Mr. Montazeri, said to be carrying an invalid passport, was tried to board a London-bound Pakistan International Airlines plane last night but were barred. News agency reports said that an armed group of 12 men accompanying them then "attacked" the runway and attempted to prevent the plane from taking off.

Top Level Recommendation

U.S. Said to Weigh Adding 1 or 2 Destroyers in Gulf

By Jim Hoagland

WASHINGTON, July 1 (WP) — If recommendations for an increased military presence in the Middle East and Indian Ocean are approved as expected by President Carter, the three-ship U.S. force in the Gulf would add one or two destroyers and the number of regular U.S. task force deployments in the Indian Ocean would jump from three to four a year, administration officials report.

The recommendations followed secret meetings June 21 and 22 of the Cabinet-level Policy Review Committee, which reportedly agreed to initial increases to U.S. naval forces around the Gulf.

The recommendations would also mean that U.S. Air Force combat aircraft would hold more routine "demonstration" visits into Arab countries, and that a new emphasis would be put on military sales and high-level contacts with Oman and the smaller sheikhdoms of the Gulf, officials said.

Secretary of State Cyrus Vance, who chaired the June 21 meeting that focused on diplomatic policy options, is said to have strongly opposed any moves that could be seen as promoting U.S. military intervention in the area of the Organization of Petroleum Exporting Countries.

But Mr. Vance reportedly joined Defense Secretary Harold Brown, the national security adviser, Zbigniew Brzezinski, Energy Secretary James Schlesinger, and others at the June 22 meeting, chaired by Mr. Brown, in agreeing point by point to the specific military increases worked out by the Defense Department.

Mr. Brown did not ask for approval of a new Middle East military command structure that would group U.S. defense training and

sales efforts in Arab countries under a senior officer stationing in the Middle East, but that proposal is under study at the Pentagon. It is to be considered at a Policy Review Committee meeting in the Middle East. No date set for that meeting.

Also being worked up at the Pentagon are plans for the creation of a 110,000-man quick-response force that could intervene in the Gulf elsewhere in the Third World.

Although Mr. Brzezinski is reportedly being pushing for an "over the horizon" permanent U.S. presence in the Indian Ocean that could move quickly into the Arabian Sea, the idea of a new Fifth Fleet for the region has been dropped for the time being, according to U.S. sources.

The United States routinely keeps two destroyers and a flagship, the LaSalle, in the Gulf region operating out of the port of Bahrain. Pentagon officials said yesterday that a fourth ship has been stationed in the Gulf since June 6, but they termed this addition "temporary." They said they had no information on the report of a recommended permanent increase to the size of the force.

Opposition by Khaled

KUWAIT, July 1 (AP) — King Khaled of Saudi Arabia yesterday condemned the idea of U.S. military intervention in the Gulf area to protect oil supplies to the United States.

"We believe any intervention would not achieve its purposes, but on the contrary would lead to further turmoil and unrest," King Khaled was quoted as saying in a newspaper interview.

Iranian border commander said that Soviet-made RPG-7 rocket launchers are being smuggled from Iraq to Arab separatists in the oil province of Khuzistan. Lt. Heshmatollah Azadi said that the lightweight anti-tank weapons, Kalashnikov automatic rifles and grenades were among large quantities of the main Soviet-made arms. He did not say how many of the RPG-7s were in circulation or whether Iranian security forces had captured any.

U.S. Woman Back Home After Israel Prison Term

NEW YORK, July 1 (UPI) — Terry Fleener, the woman from San Antonio, Texas, who was convicted of spying for Palestinian guerrillas and jailed in Israel for 20 months, arrived yesterday in New York and quickly left the airport with her father and a crowd of police.

Miss Fleener, 24, who has vowed to continue her work for Arab organizations, was arrested in October, 1977, at Ben Gurion Airport. A secret Israeli court convicted her of conspiracy to spy for Palestinian guerrillas and sentenced her to five years in prison.

Secretary of State Cyrus Vance asked Israel to reduce Miss Fleener's sentence during a recent trip and an Israeli parole board cut 10 months from her prison term, which already had been shortened to 2½ years.

Authorities leaked transcripts of the trial, indicating that Miss Fleener admitted photographing Israeli cities and beachfront spots for guerrilla landings on a 1976 visit to Israel and giving the films to Palestinian guerrillas.

"I didn't want to do anything that could hurt or kill anybody," she was quoted in the transcripts as telling the court.

Testimony showed that Miss



Terry Fleener

Correspondent For L.A. Times Expelled by Iran

TEHRAN, July 1 (AP) — David Lamb, a correspondent for the Los Angeles Times, has been ordered to leave Iran because of "baseless reports" in his newspaper about the country, government officials said today.

It was believed to be the first instance of expulsion of a foreign reporter from Iran since the revolution in February.

Mr. Lamb, 39, confirmed that he was summoned to the Iranian Ministry of National Guidance — formerly the Ministry of Information — this morning and told he must leave the country. He said officials indicated they were displeased with the general tone of the Times' coverage of Iranian events, and were particularly specific to his stories. Mr. Lamb was told that the Times would not be permitted to replace him.

Mr. Lamb, who is based in Nairobi, Kenya, has reported from many countries in Asia and Africa.

India Gets U.S. Loans For Energy, Health

NEW DELHI, July 1 (AP) — The United States and India yesterday signed two agreements giving India \$68 million worth of U.S. credits for development and health projects.

3 Gulf States Raise Oil Price

KUWAIT, July 1 (Reuters) — Iran, Kuwait and Qatar pushed up their crude oil prices today following last week's decision by the Organization of Petroleum Exporting Countries to raise prices by an average 18 percent from July 1.

Iran increased the price of light crude to a maximum of \$24.42 a barrel. Kuwait today fixed its price at \$22.42 a barrel, up from \$21.42. Qatar's price went up about 20 percent to \$24.42 for a barrel of onshore crude.

Kuwait said the new price was effective for two months. It said it is introducing a system of floating prices for oil sold under fixed term contracts, so that crude will fluctuate between \$22 and \$24 a barrel.

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STROLLING THE THAMES — Sir Ranulph Fiennes walks on the Thames River in London Friday, using special shoes for trekking ice in polar regions. He will lead the 1979-82 Transglobe Expedition that will attempt to circumnavigate the world by the polar route.

In National Congress

Peking Airs Rare Debate About Political Prisoners

By Linda Marhefs

HONG KONG, July 1 — In an extraordinary challenge to the Peking leadership, a Chinese university professor charged yesterday that the country's proposed criminal code could be misused to jail wall-paper critics of the regime and its dissidents.

Prof. Song Xing of Liaoning University, a delegate to the National People's Congress, the Chinese legislature, complained that the code's ban on "counterrevolutionary activities," enacted in its present form, could lead to the creation of a new class of "political prisoners" in China.

What was even more unusual than Mr. Song's public challenge to the new code was that the Chinese news agency reported it. The agency said that his remarks touched off a full-fledged debate in the Congress on the question, "Are there political prisoners in China?"

Analysts here could not remember another occasion on which the existence of political prisoners had been brooked in the Communist Party-controlled press, although international organizations such as Amnesty International have estimated that there might be several hundred thousand Chinese imprisoned for dissident activities and other political offenses.

Califano Visit

The news agency report may be part of a calculated effort to portray China as an open and more democratic society than in the past, and to enhance the stature of the Congress. It is usually dismissed outside China as a rubber-stamp legislature.

The debate came a day after Chinese officials told Joseph Califano Jr., the U.S. secretary of health, education and welfare, that the number of political prisoners in their jails was declining. On an unusual visit to the Shaoghai city prison, Mr. Califano was told that the number of prisoners held for political offenses in the 2,600-inmate institution had dropped from 70 percent to 7 percent in the last 25 years. The Chinese call political offenders "reactionaries" or "counterrevolutionaries."

The Chinese news agency's account of the Congress debate over acknowledged that China has political prisoners, and made no reference to the 30 or so critics of the government who have been arrested since March for writing wall posters and publishing underground newspapers.

Mr. Song refrained from saying that there actually are po-

litical prisoners. But he said that the criminal code presented to the Congress last week "implies that there are," because it makes wall-paper writers and other critics subject to prosecution.

He objected specifically to a proposed statute that would require a jail sentence for "anyone making propaganda or using such things as counterrevolutionary posters to incite others to overthrow the dictatorship of the proletariat." Anyone jailed on so trivial a charge "should be regarded as belonging to the category of political prisoners," Mr. Song contended.

The news agency said that during the debate that followed, Mr. Song "recalled the days when [former Defense Minister] Lin Biao and the 'Gang of Four' could label anyone a counterrevolutionary for criticizing their misdeeds." To prevent recurrence of such abuses, he said, the Congress should make it clear that anyone with ideological objections to the leadership could not automatically be branded a counterrevolutionary and arrested.

The subject of counterrevolutionaries is controversial in China because that has generally been the catchall charge leveled by the authorities against their critics. The criminal code, part of a legal reform package placed before the Congress on Tuesday, tries for the first time in Chinese Communist history to define what constitutes a counterrevolutionary offense.

Although the news agency reported Mr. Song's arguments, its editors seemed dubious and sought to undercut him. His contentions were "rejected by several other deputies," the agency wrote. "They said there were no political prisoners in China because a person could be held as a counterrevolutionary only when he had committed a counterrevolutionary action."

Los Angeles Times

Congress Session Closes

PEKING, July 1 (AP) — The second session of the fifth National Peoples Congress closed today after adopting codes of criminal and commercial law, free elections and laws making it possible to enter into joint ventures with foreigners.

Ye Jianying, chairman of the parliament's standing committee, said in a closing speech to the more than 3,000 deputies it had triumphantly accomplished all its tasks, including a decision to readjust the nation's economy for three years as a preliminary to an ambitious modernization drive.



AFTERMATH OF A TWISTER — The tornadoes that hit northern Iowa Friday reduced many buildings in the village of Manson to rubble. Three persons were killed in the storms.

Rebels Gain, Somoza Seeks Israeli Arms

From Agency Dispatches

MANAGUA, Nicaragua, July 1 — Sandinista guerrillas today bottled up national guardsmen in the key southern town of Rivas and prepared for a new assault on Managua. Meanwhile, President Anastasio Somoza, desperate for arms, made overtures to Israel for arms.

A member of the Sandinista provisional government said the rebels plan to form a pincer movement to the north and south of Managua and attack the capital.

Residents of Rivas, 19 miles north of the Costa Rican border, were given guns and ammunition by guerrilla infiltrators and used them to push a detachment of 600 guardsmen into the town garrison. Military sources reported fighting today within 50 yards of the garrison.

The guardsmen are facing the Sandinista main force, which invaded from Costa Rica two weeks ago. A guerrilla column that pulled out of eastern Managua under the pressure of guerrilla-bombing has regrouped in guerrilla-held Masaya, 16 miles south of here. The Sandinistas hope the southern column can break through and join the Masaya concentration in a final push on Managua.

"We're going to consolidate all the land between Masaya and the south," Moises Hassan, the only member of the rebel provisional government on Nicaraguan soil, said in Masaya. "We will isolate Managua from the south and the north and then attack."

Gen. Somoza, relying on the superior firepower of the guard, lately has been unable to buy material because of international repudiation of his regime; he was making overtures to Israel, which provided him with part of his present arsenal, political sources said. In 1948, Gen. Somoza's father, then president, provided Israel with arms to use against the British and Palestinians to create a homeland.

Gen. Somoza was also having difficulty convoking the noon congress, which is dominated by his Liberal Party. Two attempts to

Italy Promises To Back SALT-2

MOSCOW, July 1 (AP) — Giulio Andreotti, the caretaker premier of Italy, said yesterday that he reassured Premier Alexei Kosygin of the Soviet Union that Italy and the rest of Western Europe will put "legitimate pressure" on the United States to obtain ratification of SALT-2.

At a press conference during a one-day Moscow stopover on his way back to Rome from the Tokyo summit meeting, Mr. Andreotti said that his meeting with that Kosygin also focused on energy.

Mr. Andreotti said he thought that Mr. Kosygin seemed "favorably disposed" to allowing Italy to purchase more oil and gas from the Russians, but that no decision was reached at the meeting.

bring the body into session have failed to produce quorums. Gen. Somoza radioed orders to guard commanders to track down Liberal congressmen in the provinces and helicopter them to Managua.

Lawrence Pezzullo, the new U.S. ambassador here, has met three times with Gen. Somoza to try to implement a peace plan. The U.S. plan calls for the general's resignation and departure and for the election of his successor by congress; the president-elect would resign and turn the government over to a council of prominent citizens.

But the Sandinista government, known as the Junta of National Reconstruction, rejected U.S. intervention, saying that Washington's only role is to recognize the junta as the nation's legitimate rulers.

Friday, moderate Nicaraguan opposition groups rejected a United States move to replace Gen. Somoza with an interim government more conservative than the provisional junta named by the guerrillas two weeks ago.

After meeting with U.S. officials, spokesmen for both the Broad Opposition Front, a center-right coalition, and the Superior Council of the Private Sector reiterated their support for the rebel junta, saying they would not be willing to participate in a competing administration.

They also warned that any political solution giving a future governmental role to either the guard or Gen. Somoza's Liberal Party could prolong the current war.

Obituaries

Conn McCreary, Jockey, Won 2 Kentucky Derbies

NEW YORK, July 1 (NYT) — Conn McCreary, 58, who as a jockey won more than 1,500 races during a 21-year career, including two victories in the Kentucky Derby, died last week of a heart attack in Ocala, Fla.

Mr. McCreary rode his first winner in 1939, but he did not attract major attention until he hit a hot streak during the 1941 meeting at Hialeah, Fla. For the remainder of his riding career, he had his ups and downs; reporters wrote almost as much about his slumps as his victories.

In 1944, Mr. McCreary got Pensive up from 13th place to win the Kentucky Derby. He also won the Preakness but lost the Belmont Stakes that year, failing in a bid for the Triple Crown.

"It looked like a cinch to take the Belmont," Mr. McCreary recalled 30 years later, "but then something named Bounding Home beat me by a half a length. I don't think he ever won another race."

Mr. McCreary's other Kentucky Derby victory came in 1951, when he came from 18th place aboard Count Turf.

Able Front-Runner

Although the 4-foot-8-inch jockey built his reputation as a rider whose horses charged from behind, he was also an able front-runner. He was a fine judge of pace who could put a speed horse on the lead and keep him there.

One of his most famous front-running rides came aboard Miss Grillo in the 1947 Pimlico Cup, a 2½-mile event. Not satisfied merely to win by 40 lengths, Mr. McCreary came down the stretch standing in the stirrups, cap lifted, acknowledging the spectators with courtly bows.

"That race started on the back side," Mr. McCreary recalled, "and we were fourth or fifth going past

the stands when I saw the time on the tote board, 55 or 56 seconds for the half. 'No way,' I said, and I dropped Miss Grillo's head and let her run by 'em. She must have opened 40 lengths right there. The last mile and a half, I'd look back and couldn't find the field. If I was on the back side, the field would still be in the stretch. I think we had 70 lengths at one point."

Left Home

Born in St. Louis in 1921, Mr. McCreary left home as a teen-ager to make his fortune at the race track. In his pocket was a bus ticket to Lexington, Ky., that his mother had given him, and pinned inside his jacket was a note assuring all whom it might concern that her son had permission to travel.

He was hiking out of Lexington to hunt for jobs on the bluegrass farms surrounding the city he was picked up by Steve Judge, a celebrated trainer. Mr. McCreary went to work for him that day and never left raising.

In 1974, Mr. McCreary became the 49th jockey to be elected to



Conn McCreary in 1960

the racing hall of fame in Saratoga Springs, N.Y. Mr. McCreary got word of his election at Calder Park in Miami, where he had a job in the press box.

Mr. McCreary also trained horses. Complementing his gift with horses was a flair for the dramatic, and he often put all his talents on display in the Jockey Guild shows.

British Reporter Beaten, Interrogated in Pakistan

LONDON, July 1 (AP) — A reporter for the British Broadcasting Corp. and the London Financial Times was beaten up on a street in Islamabad Friday, apparently while investigating a report that Pakistan is developing a nuclear bomb, the BBC said yesterday.

The reporter, Chris Sherwell, said in a voice report telephoned from the Pakistani capital to BBC headquarters in London that he was attacked at 12:45 p.m. by "seven or eight obviously experienced thugs."

He said he needed medical treatment for his injuries, which included facial cuts, bruises on the back and stomach, and cuts and lacerations on the feet.

Earlier in the week, the French Embassy in Islamabad reported that its ambassador and a colleague were attacked while on a sightseeing visit near a nuclear research station outside the city.

making a distress call to the British Embassy, he said.

"My notebook and three address books had been taken, along with about 700 rupees [about \$70]," Mr. Sherwell said. "I believe I can identify at least four of the men who attacked me."

He said he needed medical treatment for his injuries, which included facial cuts, bruises on the back and stomach, and cuts and lacerations on the feet.

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New Caledonia Elects Pro-French Assembly

NOUMEA, New Caledonia, July 1 (UPI) — Pro-French forces here today won 22 of the 36 seats in the Territorial Assembly, assuring French President Valéry Giscard d'Estaing a warm welcome when he visits the tiny, mineral-rich island July 17. A socialist group advocating independence from France won 14 seats.

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one-spoke steering wheel, the central console. And feel the new recontoured seats, the foam armrests on the doors and bouclé carpeting on the floor.

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on its way to winning the World Rally Championship (for the second year in a row).

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So, in terms of drivability, the Fiat 131 line, including the Mirafiori, the Supermirafiori, the Racing*, and the Diesel, come with some pretty credible credentials.

As for luxury, take a Fiat 131

*In some countries, also known as the 131 Sport.

Promises From Tokyo Summit

In response to OPEC's latest and largest round of price increases the EEC and the United States have made a Draconian pledge to freeze oil imports. The European Economic Community freeze is until 1985; the duration of the U.S. commitment is less clear. Japan and Canada have promised to severely limit imports. Recent projections have shown the United States alone importing an additional 16 million barrels a day by the end of the century, a figure that emphasizes the magnitude of the words from the Tokyo summit. But what are those words worth? Do they really promise less dependence on the Organization of Petroleum Exporting Countries through the rapid development of new energy sources or do they just promise stagnation?

Freezing imports does not automatically freeze demand, any more than the extraordinary price increases since 1973 have curtailed it. The immediate impact of such action is likely to be longer gasoline lines in the United States and higher fuel prices in both the United States and Europe. Combined with soaring inflation rates and threatened recession, both resulting at least in part from the higher cost of oil, Western leaders are certain to come under intensive political pressure to provide relief.

Quick development by the petroleum industry of synthetic fuel from shale and coal could ease the supply situation and drive prices down near the end of the next decade. But the oil companies, whose profits grow annually, have no interest in changing the deck while they are winning. Safety and non-proliferation concerns are slowing the development of atomic power, and environmental and political problems are holding up the substitution of coal for oil in power plants.

There is no short-term answer that does not involve individual sacrifice, which calls into question the value of the industrialized nations' commitment. Can President Carter, facing an election in a little over a year, tolerate the heat of a recession and gasoline lines? How much unemployment and inflation can the EEC countries stand? Will West Germans drive slower to save fuel? When do the pledges made in Tokyo become politically unacceptable? At some point a \$20 barrel of oil might look very attractive to a buyer with marks, francs or yen.

The communiques issued by OPEC and the summit seven were remarkable for their similarity. Both urged cuts in oil consumption, moderation of the spot market, control of oil company profits and aid to energy-poor developing countries. One would think

that two groups with so many common goals would be able to find an amicable formula for resolving their differences.

That they cannot is a warning among other things that neither side puts much faith in the other's declarations. OPEC emphasized its exasperation with the West's extravagant use of petroleum. It said, "The conference once again calls on the major industrialized consuming countries to control their total demand, whether for consumption or stock buildup, so that the adverse effects of the present market situation can be avoided."

The industrialized countries said they "explore the decisions taken by the recent OPEC conference... the unwarranted rise in oil prices," which "mean more worldwide inflation and less growth. That will lead to more unemployment, more balance-of-payment difficulty and will endanger stability in developing and developed countries of the world alike."

Both groups showed touching concern in their communiques for the developing countries. Each took the other to task for not fulfilling its responsibilities toward the impoverished nations of the world. But what did they do? OPEC offered \$9 billion in new oil bills, mitigated only slightly by \$800 million for low-interest loans to the poor nations. The industrialized countries provided platitudes.

It would not be difficult for the West to neutralize OPEC. Everyone knows how, as the Tokyo communique proves. You cut consumption and develop alternative sources such as synthetic fuels, solar energy and the fluidized-bed coal-burning process. The problem is in convincing some of the more profligate wastrels that the crisis is real and that to resolve it requires giving up some things they like and are used to having; simple things like a second car, driving to work instead of taking the bus, 4 degrees of heat in the winter or 4 degrees of cool in the summer. President Carter, who identified the problem early and labeled it most unfortunately "the moral equivalent of war," has failed miserably in convincing Americans of the need to sacrifice.

West Europeans, out of a historical awareness of deprivation and the importance of periodic sacrifice, have been less wasteful of energy than Americans. But in recent years this has been in the context of economic growth and the rising standards of living. European expectations are now at the level of or even higher than those of Americans. Is the vast West European middle class ready to begin running in place or even losing ground? We think not.

International Opinion

Back to Peace Process

A polite meeting in Tokyo to chart a way through the coming recession can serve little purpose if, at the same time, the Middle East is allowed to become yet more turbulent.

The worldwide results of another Middle East war now are almost impossible to contemplate. The existing oil shortage comes about largely because of misjudgments in the Israeli-Egyptian peace process, which has failed to satisfy the Arab countries and Iran that there is a serious prospect for autonomy for the Palestinians.

President Carter needs to go back to the peace process. He has left the job not even half done. The present situation, in which no meaningful talking takes place and Israel is free to provoke the Arabs into further economic pressure against the West, points to a very ugly outcome indeed.

— From the Guardian (Manchester).

Suspend Aid to Vietnam

Reconstruction assistance to Vietnam should be suspended as long as Vietnam is driving out by its methods a whole segment of the population, which could be useful in reconstruction of their country. Unfortunately

ly, it has to be expected that Hanoi will seek a price for a bit of humanitarian approach.

And the Moscow protector and supplier of arms to Vietnam? Should he be credited now for "protecting" his neighbors against the flow of refugees by the wall, barbed wire and mine fields? At the least, the free world should have been spared the Vienna summit spectacle where he received the brotherly kiss from the standard bearer of human rights.

— From the Neue Zürcher Zeitung.

Shadow Over Ghana

There is no practical, as distinguished from juridical, doubt that corruption was a way of life in Ghana under Gen. (Ignatius) Acheampong, as it had been since the era of Kwame Nkrumah himself. But the execution of a former head of government, after a trial that lasted less than a day, suggests that a new crop of military leaders took power with their minds already made up about the identity of those responsible. They have said they will keep power until fall so that the corruption may be cleaned out before the civilians take power. That puts an ugly shadow over the future of a country that has tried many novel remedies for its political problems but has rarely resorted to bloodshed.

— From the Toronto Globe and Mail.

Other U.S. Opinion

Tighten Nuclear Standards

In recent days there have been revelations showing governmental disregard for the health of persons affected by nuclear testing, power generation and uranium mining has been a rule than an exception.

A Senate subcommittee was told recently that early warnings about the hazards of exposure to low-level radiation by a uranium miner who worked in mines 20 years ago went unheeded. The Defense Department overruled the objections of a scientist

from the old Atomic Energy Commission in the 1950s and relaxed the AEC safety standards to allow soldiers doing combat maneuvers to venture close to the "ground zero" point of a nuclear weapons blast at a Nevada test site.

When the government makes the mistakes, its people wind up paying the cost. Elimination of... indifferent safety standards must take place if we are to continue using nuclear power.

— From the Albuquerque (N.M.) Journal.

In the International Edition

Seventy-Five Years Ago

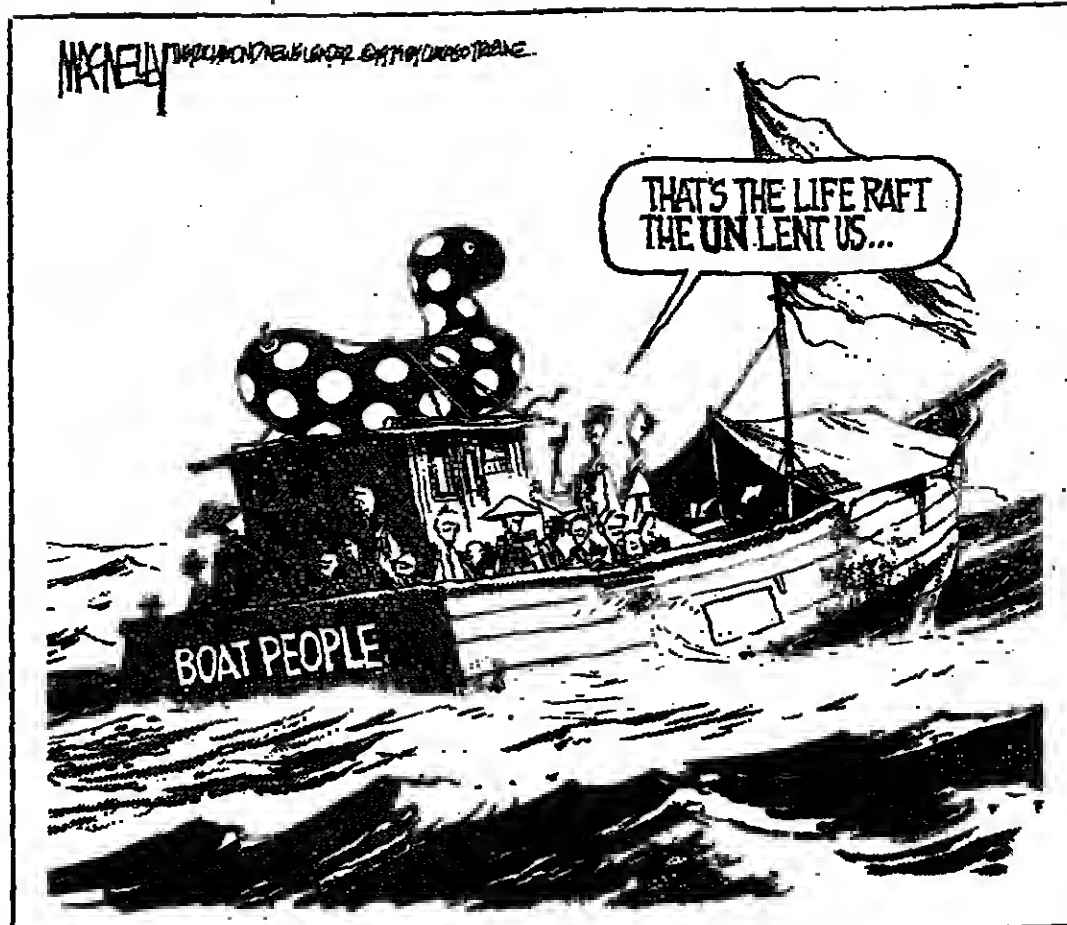
July 2, 1904

ST. PETERSBURG — A number of junks loaded with fresh provisions succeeded in running the blockade at Port Arthur today, and landed 5,000 sacks of flour. Chinese refugees say that the Japanese now have 40 ships in front of Port Arthur, all the men-of-war that had undergone repairs having returned and joined the blockading squadron. The Russians inside the Port are preparing for the last stages of a siege. The few foreigners who still remain in the city have received orders to leave. Buildings have been sealed shut, and women and children are being removed by a Norwegian steamer.

Fifty Years Ago

July 2, 1929

WASHINGTON — A three-man armored combat tank which is expected to revolutionize that branch of military equipment was given a demonstration today, in which it attained a speed of 42½ miles per hour over roughly plowed fields, and a speed of 62½ miles per hour over the highway with its caterpillar belts removed. Newspapersmen who were given rides aboard the new tank, which weighs 9½ tons, insist that it covers the roughest grounds with riding qualities almost the equal to a passenger car. The new tank was adopted by the army after 8 years of development by a civilian inventor.



Vienna Summit Was a Nonevent

By Raymond Aron

PARIS — Once before, in the spring of 1961, a summit meeting of the two most powerful countries of the world took place in Vienna. John Kennedy, still humiliated by the disaster of the Bay of Pigs, and Nikita Khrushchev, brandishing his threat over Berlin, entered into a dialogue, and the Europeans, listening uneasily to the exchanges, pondered the consequences of the tumultuous meeting. Had the young American president been intimidated by the aggressive tone taken by the Russian's No. 1 man? What would happen to the former capital of the Reich?

The meeting in Vienna between Leonid Brezhnev and Jimmy Carter left Europeans indifferent. They expected nothing of it, and all went as expected. The text of SALT-2 has been drawn up; the signing was nothing more than a ceremony of protocol. For the rest, nobody learned anything from the alternating monologues as they were reported by the press.

With one incapacitated by illness and the other by Congress and the uncertainty of elections, they could hardly plan for a future that lies beyond their grasp. The first Vienna summit marked the beginning of a durable relationship. The second brought to a monochromatic end an ambiguous period in Soviet-American relations: neither real détente nor a return to the Cold War.

The ambiguity is more attributable to the United States than to the Soviet Union: In the absence of a president who is sure of himself and of popular support, the American political system functions poorly. The Soviet system can tolerate the semi-absence of a No. 1 man.

No Bond

The text of SALT-2, once completed and initialed, no longer constitutes either a subject of discussion between Moscow and Washington or a bond between them. The treaty becomes the occasion and the theme of an intra-American debate between the White House and Capitol Hill. The Soviet Union simply hopes for the ratification of the treaty. Leonid Brezhnev asserted that no amendment by the Senate would be taken into consideration. To help Carter he will avoid, as far as possible, any initiatives in the global hot spots. But he will go no further: When Carter asked for Soviet intervention in Vietnam on behalf of the refugees, he received a negative answer, immediate and stark.

Officially, all of the European governments approve of SALT-2. But that requires a closer look. The French specialists in the Quai d'Orsay are, at the very least, reserved about SALT-2, and resolutely hostile to SALT-3. The West German chancellor hopes for a favorable vote in the U.S. Senate, not because the accord seems to him satisfactory in itself but because he fears the Soviet-American tension that will result from the possible failure of ratification. The other European governments have faith in the American leadership. Would that leadership be shaken, within the American nation, by a rebuff inflicted on the president? I am not certain; if that rebuff expressed a conscious decision by the country, a hardening of the attitude will, the effects of this crisis between the president and the Congress would not be entirely negative.

—Letters—

Golden British Goose

For years the British Labor Party has been slowly strangling the goose that should be laying the golden eggs. Prime Minister Margaret Thatcher's government is now attempting to get the bird on its feet again. If the attempt succeeds, British labor may be surprised and no doubt pleased to find how much it gains from a healthier business climate.

W.R. MILLER
Vevey, Switzerland.

DC-10s for Qadhafi

Col. Moammar Qadhafi of Libya threatens to cut off U.S. oil sales unless transport aircraft are delivered (HT, June 11). Why not send him some DC-10s?

AL HIX
London

Regarding bilateral Soviet-American relations, the dialogue always hits the same obstacle. On the most-favored-nation clause or loans, the president can hardly commit himself before the Senate takes up the treaty. As for the Russians, they hardly understand better today than they did in 1977 what sort of man Carter is, and what sort of policy he wants to carry out.

Until now, when the heads of the two great powers met, they reviewed the whole world and compared their views. That's what they did this time, apparently. But to what end? In the Middle East, Carter, after having sketched out an approach with the Soviet Union, committed himself without reserve in favor of the Israeli-Egyptian treaty. Obviously the Soviet Union supports the Arab states, all against Awar Sadat. The collapse of the imperial regime in Iran certainly constitutes a disaster for the United States and the West, but not necessarily a victory for the Russians. The Iranian revolution is only beginning. For the time being, the Soviet Union has the better of the two, or even both of them together, could dominate the course of events.

Policy Contradiction

The interventions — Cuban, Soviet, East German, in Angola, in Mozambique, in Ethiopia — would have been considered by Washington, in the past, to be "aggressions" or "acts of imperialism," offenses that called for a U.S. response. Since the defeat in Vietnam, containment has ceased to be the order of the day or a categorical imperative. Andrew Young declared that the Cuban soldiers contributed, or could contribute, to stability. As for Rhodesia and South Africa, U.S. policy suffers from a contradiction that results from circumstances rather than any defect of its own. It seeks to avoid alienating

the African states by supporting white rule in Rhodesia or in South Africa, but at the same time it fears the rise of a pro-Soviet regime after the fall of the white governments. On the mixed administration in Rhodesia, the president and Congress are in disagreement. The Russians play their own game and will not help the Westerners surmount their contradictions.

The United States and the Soviet Union remain the two sole world powers, the only ones capable of projecting their military force upon any part of the globe. The Soviet Union, in this respect, has overtaken the United States. However, beyond the strategic arms limitations, there are few problems that they can settle alone or that they can usefully discuss. What is the American policy in Vietnam? In Afghanistan? Soviet policy at least offers the advantage of being clear. It helps its friends, it fights its enemies or the enemies of its friends (for example, the Khmer Rouge). The United States, following its style of government and its principles, is not in a position to set with the same simple brutality. It condemns the invasion of Cambodia by the Vietnamese, but also the Chinese "punishment" inflicted on Vietnam. To the inherent complexity of events is added the uncertainty of the president himself and the discord among his advisers.

Why be surprised at the European's indifference? The summit of the two great powers slips toward the banality of the innumerable summits in which the heads of state make sure that they have nothing to say to each other, or nothing other than things that they have already said repeatedly. Today the Europeans are more interested in petroleum imports into the United States than in pseudosecrets from Vienna.

Raymond Aron, the French scholar and author, lives in Paris. He wrote this article for The Washington Post.

Thatcher's Promise Into Policy

By George F. Will

LONDON — Prime Minister Margaret Thatcher's political style is as Jan-packer as her policy. Her first budget, which aims at nothing less than a redefinition (through contraction) of the role of the state, is economically bold but politically breathtaking. A government is doing, at the earliest opportunity, exactly what it said it was going to do.

Mrs. Thatcher, unlike more conventional politicians, is thought to have more, and more rigid, convictions than it is prudent to have. She calls herself a "conviction politician," which makes irresistible the comparison with the author of "The Conscience of a Conservative."

When Barry Goldwater won the 1964 Republican nomination, people accustomed to more pliable politicians assumed he would quickly dilute his ideological message. But after hearing a few sentences of Goldwater's fire-eating acceptance speech to the convention, a wit in the press gallery exclaimed in mock amazement, "Good God, he's going to run as Goldwater!" Mrs. Thatcher is going to govern as Mrs. Thatcher.

And why not? She has a mandate. Indeed, she has, in a sense, a mandate and a half. She won the most lopsided election since 1945, and the swing she produced was perhaps more impressive than that of 1945 because then there had not been an election for 10 years.

Furthermore, six weeks after Mrs. Thatcher's general election victory, Conservative candidates dominated the elections for members of the European Parliament.

European Market

There has been a concerted effort to get people to speak of the "European Community" rather than the "Common Market." But Hugh Thomas, a distinguished historian, notes that the European Parliament elections were a victory for those who think of Europe more as a market than as a community.

The conservative mood of the day involves a renewed respect for market forces; and a clear-eyed recog-

nition that markets often are inhospitable to "humanitarian" values; and a belief that those values have been overemphasized in postwar Europe.

The history of Western political thought since 1789 — since the French Revolution and the implementation of the U.S. Constitution — is a story of tension between aspirations for liberty (understood as absence of restraint) and for community (which implies restraints). "Liberty, Equality, Fraternity." The economic liberty of acquisitive people acting aggressively in free markets has been considered good for GNP, but at least as bad on fraternity as on equality.

Unfortunately, egalitarian economic policies that were supposed to foster feelings of social fraternity have not done so. Instead, they have intensified the politics of envy; they have fostered irritable social comparisons; they have invested too much social energy in redistributing, rather than "producing" wealth.

Egalitarian social policies were supposed to freshen society by bringing to the surface all sorts of subterranean springs of social creativity. But today, as always, the question is not whether elites shall enslave the masses; the question is which elites shall do it.

Just 30 years ago, many people believed that nationalized industries would be inherently good for the cheerfulness and, hence, the creativity of labor. Such industries have failed socially as well as economically.

The International Herald Tribune welcomes letters from readers. Short letters have a better chance of being published. All letters are subject to condensation for space reasons. Anonymous letters will not be considered for publication. Writers may request that their letters be signed only with initials but preference will be given to those fully signed and bearing the writer's complete address. The Herald Tribune cannot acknowledge letters sent to the editor.

Michael Dobbs From Belgrade:

Yugoslav politicians are aware that their ability to defuse nationalist grievances rests largely on their ability to meet rising consumer expectations.

BELGRADE — Intense national feelings and the willingness to resort to violence to achieve one's ends have never been far beneath the surface of political life in the Balkans; witness the recent hijacking of a U.S. airlines plane to Ireland by an extreme rightist Serbian nationalist, Nikola Kavaja.

Kavaja has now begun serving a 20-year sentence in Chicago for various terrorist crimes, but his odyssey is a reminder that nationalism is still a force that cannot be reckoned with in Yugoslavia.

Balkan history provides ample examples of political terrorism by nationalist groups. Terrorist organizations spawned on this patchwork of different nationalities divided for centuries between rival empires include the secret Serbian society known as "The Black Hand" and the feared Macedonian terrorist group, Imro, which both operated in the early years of the century.

Several terrorist acts in the Balkans have had international repercussions. The assassination on June 28, 1914, of the Austrian Archduke Franz Ferdinand by a young Serbian revolutionary, Gavrilo Princip, in Sarajevo, triggered World War I and hastened the dissolution of the Austro-Hungarian Empire.

Twenty years later, the head of the new Yugoslav state, King Alexander, was murdered by Croat separatists in Marseilles. Alexander's murder partly contributed to the breakup of the old Yugoslav kingdom — and its replacement after World War II by Marshal Tito's Communist regime based on the slogan of "brotherhood and unity" between the south Slav peoples.

One Leader

Tito, a Croat, had good claim to be the one leader in Yugoslavia who rose above nationalist divisions. This is one reason why he too has aroused such intense hatred among opponents of the idea of a united Yugoslavia.

Serbian separatists such as Kavaja draw their inspiration from the World War II guerrilla leader, Draza Mihajlovic, who was a royalist and was bitterly opposed to Marshal Tito's Communist partisans. Mihajlovic was executed after the war by the Communists. He is accused of collaboration with the Germans.

He and his followers (known as Chetniks) operated primarily in Serbia and favored the reconstitution of the prewar Yugoslav state, which was based on Serbian hegemony.

In recent years, relatively little has been heard of Serbian terrorism. A much more potent force has been the Croat émigré movement pledged to the destruction of Yugoslavia and the creation of an independent Croatian state. The Croatian separatists are split into a number of rival groups based in the United States, Western Europe,

and Australia. They have claimed responsibility for a string of hijacks, murders, and bomb attacks.

Within Yugoslavia, there is little sympathy for any of these terrorist organizations. Nationalism, however, is still capable of stirring powerful emotions, particularly in Croatia, which is now one of Yugoslavia's six republics but was long a buffer province of the Austro-Hungarian Empire against Islam. A surge of nationalist "euphoria" in Croatia in 1970 and 1971 was put down by Marshal Tito, who ordered a purge of the Croatian Communist Party and imprisoned dozens of alleged nationalists. Most of those arrested as a result of the "euphoria" have been released but what used to be known as the Croatian "mass movement" has virtually evaporated.

Serbian Form

In Serbia, which was under Turkish rule for 500 years until freeing itself in the early 19th century, nationalism takes a different form. It is primarily defensive, a result of resentment and regret at the whitewashing away of old traditions and Serbia's once dominant position in the Yugoslav state.

Nationalists in Yugoslavia disclaim any link with terrorists such as Kavaja — and such a coalition appears unlikely. More worrying to the authorities have been recent moves by Serb and Croat nationalists within the country to talk to each other — and also to link up with Milovan Djilas, a former vice president who fell into disgrace in 1954 when he advocated a more liberal system of government.

The Tito government has adopted tactics of varying subtlety in its drive to root out nationalists at home and abroad. Measures employed range from intensive undercover activity by the Yugoslav secret police abroad, which has led to allegations of murder and kidnappings by Yugoslav agents, to delicate economic and political pressures at home on would-be dissidents to fall into line. Even mild expressions of nationalist feelings have been punished by prison sentences of several years. Communist recently released in prison allege appalling conditions, particularly at Stara Gradiska, where up to 50 political prisoners — mainly nationalists — are still being held. The allegations include beatings of political prisoners, atrocious food and sanitary conditions, lack of reading matter, and forced manual labor.

Party Approval
A more refined way of suppressing nationalism is the system whereby applicants for virtually all responsible jobs are required to produce evidence of "moral and political fitness." In effect, this means Communist Party approval — and encourages anybody with nationalist leanings to keep his opinions to himself if he wants to pursue a successful career. The most successful method of controlling nationalist dissent is the economy. Marshal Tito's regime is broadly popular in Yugoslavia, and one of the main reasons has been the creation of a consumer-oriented market economy. And unlike the citizens of other East European countries, Yugoslavs are free to travel abroad.

This explains why, despite the storm of indignation unleashed by Yugoslav officials over Kavaja and his friends, nationalism is far from being their chief worry at present. Their main preoccupation this summer is a growing economic crisis that could threaten Yugoslavia's reputation as the Communist country that does most for the consumer. In the last few months there has been widespread shortages of many basic items such as coffee, butter, meat, and gasoline. Inflation is growing at more than 20 per cent; there is an ever-increasing trade deficit, and 800,000 Yugoslavs (out of a population of 22 million) are unemployed. So far, these economic strains do not seem to have had any serious political repercussions. But Yugoslav politicians are aware that their ability to defuse nationalist grievances rests largely on their ability to meet rising consumer expectations. With the man who founded modern federal Yugoslavia now 75 years old, it is a worrying thought.

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By William Ellington

Loan Demand Rising

Bankers looking for higher short-term interest rates in the near future say that corporate loan demand is rising because of accelerating inflation. They add that interest rates typically continue to rise as a recession sets in because

dropped to 91.75-98 from issue price of 99.25. GTE Finance's \$50-million, 10-year bonds at par bearing 9.75 percent declined to 97.5. A \$50-million, seven-year note issue of Carter Hawley Hale Overseas Finance at par bearing 9.75 percent had not started trading, but dealers were expecting an opening level of 98-98.5.

By Vartanig G. Vartan

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DATE 12-11-2013 BY 60322 UCBAW/STP

provides investors with the option of having their notes redeemed at par in 1986 or every two years thereafter. Priced at par, the notes bear quarterly interest at 0.25 points above the average of the bid and offer rate for three-month interbank Eurodollar deposits, subject to a minimum interest rate of 5.25 percent.

Traders' attention turned from anticipated crop shortfalls in the Soviet Union and East European nations, the principal cause of the recent rally, although reports of a

By Sue Shellenbarger

in violation, of executive orders
banning race and sex discrimination.

harment order referred to racial as well as sex discrimination, the case

On the New York Coffee and Sugar Exchange, coffee futures for

By Helen Dewar

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On the New York Coffee and Sugar Exchange, coffee futures for

The anti-discrimination debarment order, signed by Labor Secretary Ray Marshall, accused

Mr. Ewald said the women do not want to deny business to Uniroyal, which is regarded by financial experts as financially shaky, but feel entitled to relief, including roughly \$18 million in back pay, reinstatement, pension restitution and anti-discrimination job protections for the future.

On the New York Cocos Exchange, cocoa futures rose 3.6 cents a pound amid continued political unrest in Ghana, an important producing nation.

Sales in	Net	Sales in
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Johns Res h	72	14	13%	16	+2	AckersSL 4th	72	15	14%	14%	-1	Coifers. 50	183	20%	28	28	-1	+	
Bancorp	1067	4	3%	4	+ 76	Buckeye	255	19%	18%	19	-	ColPFBk 108	70	17%	17%	17%	-	+	
Seafirst 106	145	17	12%	17	-	Stetson 156	538	19%	13%	14	-	ColMkt	116	16%	16%	16%	-	+	
Seafirst 128	17	18	16%	17	-1	Bidlow	419	21%	2	2%	+1	ColWSP 3	12	32%	32	32%	+1	+	
Seafirst 108	13	13	12%	13	-1	Bumath	641	36	36	36	-	ColWSP 6	1126	6%	6	6%	+1	+	
Seafirst 108	31	15%	14%	14%	-1	Burns	282	2	15-14	27-32	15-14	+1	ColWSP 30	237	11%	11%	11%	-	+
Seafirst 120	85	25%	24%	23%	+1/4	Burns 55.146	573	5%	5%	5%	-1	CommBe	514	2%	2%	2%	-1	+	
Seafirst 108	19	71%	71%	71%	-1	Burns 113-116	113-116	113	114	+1	CommPr 52	451	25	22%	25	+2	+		
Seafirst 108	169	12%	12%	12%	+1	Burns 120	532	30%	27%	30	+1/2	Comm 2%	254	61%	60%	61	+1	+	
Seafirst 108	408	5%	4%	3%	+1	Burns 118	573	28%	28	28	-1	CapEnergy	451	3%	3%	3%	+1/2	+	
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Seafirst 108	22	17%	17%	17%	-1	CBT 2	4447	25%	23%	25%	-1	Carbin 23	38	19	18%	18%	-1	+	
Seafirst 108	12	20%	20	20	-1	CFB 1.31	471	10%	10%	10%	-1	Carlin 3	530	18%	9	9	-1	+	
Seafirst 108	1062	12%	11%	11%	-1	CICP 50	9	8%	8%	8%	-1	Cash 1	28	31%	31%	31%	-	+	
Seafirst 108	1048	27	26%	26%	-1	CJ 20	529	22%	21	21%	-1	Carb 2	254	1	7%	8%	-1	+	
Seafirst 108	284	15%	13%	13%	-1/2	Consolid	778	31	27%	27%	-1/4								
Seafirst 108	317	6	5%	6	-1	ConWSP	25	24%	23%	23%	-1/2								
						ConWSP	55	30	28	28	-1/2								
						ConWSP	25	30	28	28	-1/2								

(Continued on Page 8)

These Notes having been sold, this announcement appears as a matter of record only.

May 1979

U.S. \$20,000,000

States Leasing International Finance N.V.

10% Guaranteed Notes due 1984

Approximately 97% of the outstanding Common Stock of

has been acquired by

an indirect wholly-owned subsidiary of

The undersigned assisted in the negotiations and acted as financial advisor to Life Insurance Company of Georgia in this transaction.

 DEAN WITTER REYNOLDS INC.

10% Guaranteed Notes due 1984

Guaranteed by

United States Leasing International, Inc.

Orion Bank Limited
Banque Bruxelles Lambert S.A. Smith Barney, Harris Upham & Co. Incorporated
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 Union Bank of Finland Limited
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 Vereins- und Wechsel Bank Aktiengesellschaft
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[illegible]

\$100,000,000

Kennecott International N.V.

9½% Guaranteed Notes Due 1986

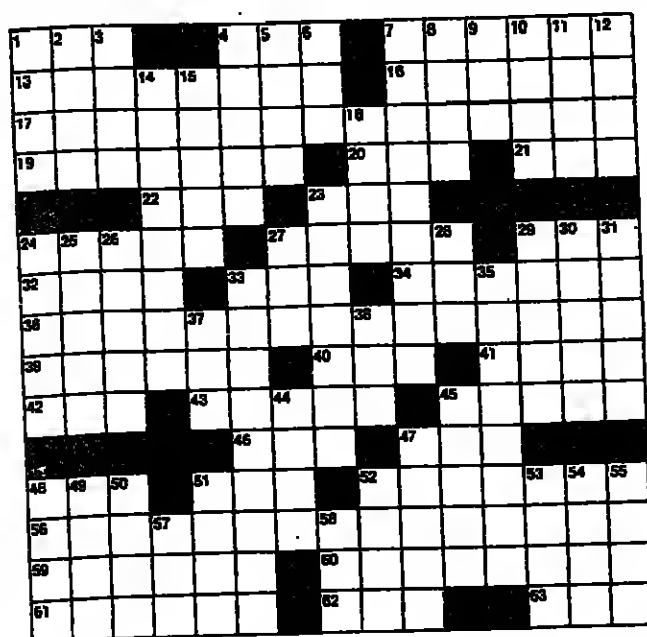
Payment of principal, premium, if any, and interest unconditionally guaranteed by

Kennecott Copper Corporation

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CROSSWORD

By Eugene T. Maleska



ACROSS

- 1 Noncom
4 Pocket for a watch
7 In abundance
13 Window (impossible task)
16 Word with eye or series
17 "I was the night"
19 Wrap around
20 "Paris" book by James Brady
21 Before, to a hard
22 Sparks or Bumline
23 Wrinkle-faced dog
24 Lies down
27 Homophone for swayed
29 Kipling's "The Man Who"
32 Choir member
33 Whalers' get-together
34 Drug
36 Town crier of a sort
38 Nevertheless
40 Put up
41 Kept
42 Corded fabric
43 He painted "Launching the Boat"
45 Pennies
46 Word for Alice's batter

DOWN

- 47 Deface
48 Shriveree
51 Capital of the Society Islands
56 Pussy cat's answer to a well-known query
59 Concern of some censors
60 See 30 Down
61 Dark-haired man
62 Singing Starr
63 Rocky pinnacle
1 — bien (it tastes good); Sp.
2 Secluded valley
3 William Howard
4 Diabolical one
5 First word of "The Raven"
6 Unit of capacity (2150, 42 cu. in.)
7 Elevator operator's announcement
8 Part of a church
9 Suffix with book or brace
10 "This one is"
11 React like a startled steed

Mutual Funds

Closing Prices June 29, 1979

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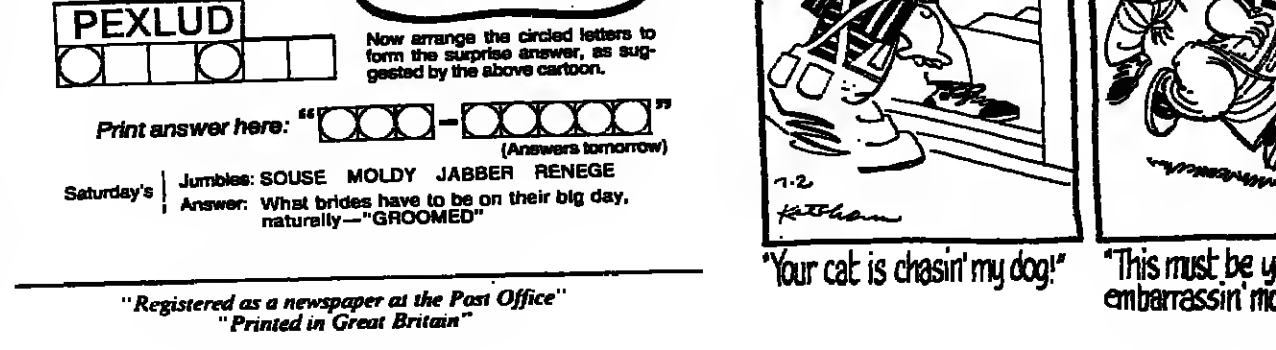
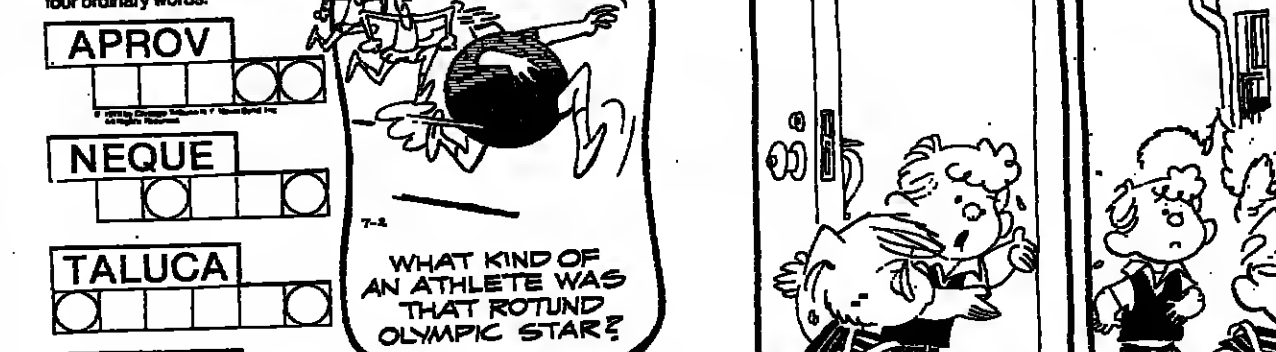
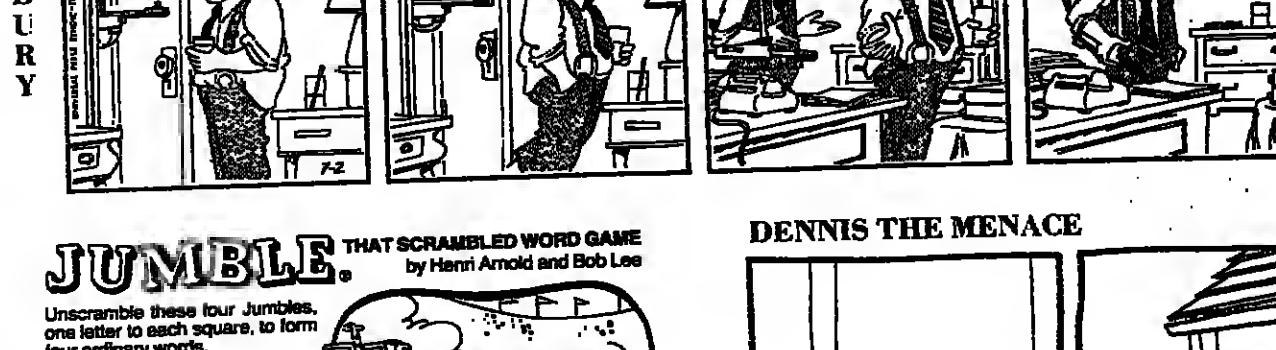
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PEANUTS



BOOKS

BLOOMSBURY

A House of Lions

By Leon Edel. Lippincott. Illustrated 288 pp. \$12.95. Reviewed by Christopher Lehmann-Haupt

HAS BLOOMSBURY been written about so much that even the distinguished biographer Leon Edel can't rescue the subject from staleness? I'm afraid that is the case, as Edel himself seems to have anticipated in his preface to "Bloomsbury: A House of Lions," in which he explains how, having planned some 15 or 20 years ago a group in a series of biographical essays, he found, when he finally completed a five-volume biography of Henry James, that there had been "such an outpouring of Bloomsbury biographies, letters, memoirs, diaries, posthumous papers, bedroom histories and critical writings" that he would have to alter his project to an account of "the story of Bloomsbury and how it came to be."

Predictably enough, he tells that story with considerable subtlety and skill. At the very least, we get a firm impression of the composition and character of the group — its two social scientists, John Maynard Keynes and Leonard Woolf; its two literary figures, Virginia Woolf and Lytton Strachey; its two critics, Clive Bell in painting and Desmond MacCarthy in letters; and its three painters, Roger Fry, Vanessa Bell and Duncan Grant. (The many others who have been associated with the group Edel dismisses as "marginal" or "friends of friends" or simply adventitious, as in the case of E.M. Forster, whose "life did not become intertwined with the group originals," or Lady Ottoline Morrell, who "was in reality running a salon of her own.")

Moreover, Edel's sensitive psycho-biographical approach to the complex characters of the Bloomsbury group provides us with the clearest picture yet drawn of Virginia Woolf's preconscious mental state. Instead of reducing the cause of her sexual frigidity to the childhood assaults of her stepbrother, George Duckworth, as Quentin Bell did in his biography of her, Edel constructs an intricate psychological model that takes into account all the many abnormal pressures on Virginia, yet leaves the essential mystery of human aberration intact.

Finally, Edel not only explains the individual contributions to the modern thought and art of the members of Bloomsbury, he also makes clear to his narrative how their associates with one another made perfectly true, Edel concedes, that the group was to the end ingeniously unaware of itself as a collective force; thus its members remained insensitive to why outsiders often perceived them as a

Bolivians Vot For Civilian F

RIO SECO, Bolivia, July 1

More than 1.8 million voted today as Bolivians elected a civilian government. It was the second time in a year that military men were here, faced with serious problems they do not deal with, have tried to power to a democratically elected president and congress.

Last year's effort was aborted because of extensive vote fraud, which led to a militia in July and November. Bolivia has a history of political violence and instability unrivaled in Latin America.

CHESS

By Robert

Boris Spassky plays for mate patiently. But patience is a virtue required only of the defender in a difficult situation and that all attacks should be prosecuted in hot blood, but the man who held the world championship from 1969 to 1972 is more sophisticated.

Spassky has never allowed himself to be put off by obstacles to pressing a mating attack. With a confident insistence, he is satisfied to edge them out of the way, one at a time, like a bulldozer, at a man's pace. He has succeeded where others would not.

A typical Spassky attack can be seen in his game with West German grandmaster Robert Huebner in the 16th round of the Man and His World Challenge Cup International Tournament in Montreal.

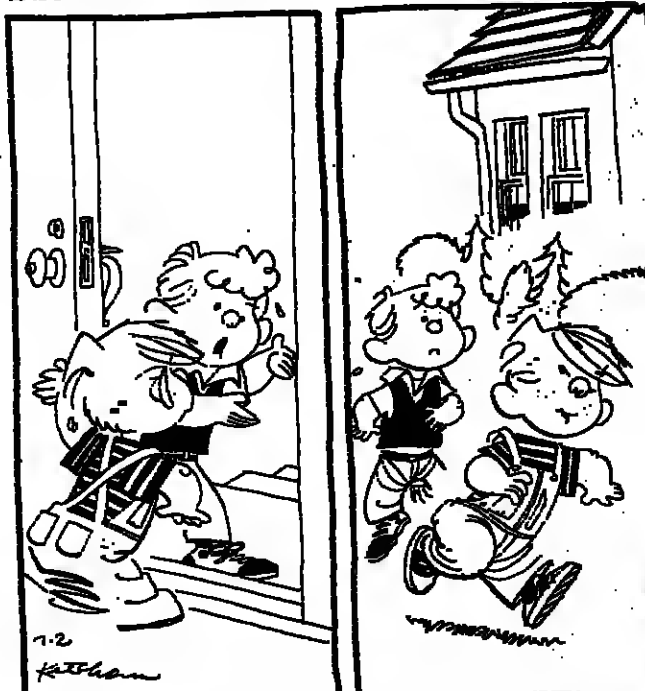
Against the 2... P-Q3 defense system, Huebner invariably plays 3 P-KN3, although the 1978 game between him and Robert and Viktor Korchnoi in Buenos Aires showed White a slight but clear superiority after 3 P-Q4?; P-K3; 4 QxP, N-QB3; 5 Q-Q2, P-KN3; 6 P-QN3, B-N2; 7 B-N2, N-B3; 8 P-N3, O-O; 9 N-R3?; N-K4; 10 B-N2.

Had Spassky rushed to attack with 10... P-B5? he would have been outplayed rebuffed by 11 P-KN4, N-K6. But after 10... P-KN4, Huebner could not allow 11... P-B5 and had to develop Spassky's KN with 11 P-N3.

While only White could benefit from the open QN file after 16... P-B3; 17 P-K3, P-K3, 18 N-N4, Spassky had to get the well-poised QN out of his camp if he was to obtain active play. He had no intention of advancing 18... P-Q4 because Huebner would have generated considerable pressure against the black center with 19 P-K3, P-K3; 20 N-B1, B-B2; 21 N-N3, N-N2; 22 R-K2, R-K2; 23 K-R1, K-R1; 24 B-Q3.

At least as early as 23... P-N5, Spassky had made the decision to abandon his queenside and rely exclusively on a mating attack; losing a pawn to 27 R-K3 was a corollary of the plan.

DENNIS THE MENACE



"Your cat is chasing my dog!"

"This must be your most embarrassing moment, huh?"

JUMBLE

THAT SCRAMBLED WORD GAME

by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

APROV

NEQUE

TALUCA

PEXLUD

WHAT KIND OF AN ATHLETE WAS THAT ROTUND OLYMPIC STAR?

Now arrange the circled letters to form the scrambled answer, as suggested by the above cartoon.

Print answer here: "O-O-O-O-O-O-O-O-O-O"

(Answers tomorrow)

Saturday's Jumbles: SOUSE MOLLY JABBER RENEGE

Answer: What brides have to be on their big day, naturally — "GROOMED"

Registered as a newspaper at the Post Office

Printed in Great Britain

Gullikson Upsets McEnroe As Borg, Connors Advance

LONDON, July 1 (UPI) — In the biggest upset of the Wimbledon tennis championships, John McEnroe, the No. 2 seed, was defeated, 6-4, 6-2, 6-4, yesterday by Tim Gullikson, seeded 15th, on the same outside court on which Vitas Gerulaitis, Arthur Ashe and Sue Barker fell earlier in the week.

The loss was a tremendous disappointment for McEnroe, who surprised the Wimbledon crowd two years ago when, at age 18, he defeated Sandy Mayer and Phil Dent before succumbing to Jimmy Connors in the semifinals. Last year, although he lost in the first round at Wimbledon, he reached the semifinals of the U.S. Open.

"It hasn't really hit me yet," he said a few minutes after the fourth-round match. "You must give Tim credit. He played a smart match."

At 2-2 in the second set, Gullikson, won eight straight games to take that set and go ahead, 4-0, in the third. McEnroe took the next

three games, and down 3-5, served and saved match point. Then, at 4-5, he saved another at deuce. But moments later his backhand shot went into the net and the match was over.

"He just played better than I did," McEnroe said. "The guy beared down on me and never let up."

When asked if he was having trouble with his serve, he quipped: "Either that or they're doing a hell of a lot better returning. Every player here has returned well against me."

McEnroe said that he did not know how to prepare in the cold weather, which plagued Wimbledon during most of the first week.

"I haven't been through this enough to know what the right thing to do is," he said, "whether to stretch after a match or what. I just don't know."

Brother Helps

Gullikson called the victory the biggest of his career, and attributed much of his success to some advice from his twin brother, Tom, a left-hander whom McEnroe defeated on Friday.

"Tom didn't tell me to go out and get revenge," he said. "But we talked. We both thought I should serve more to his forehand because he makes a few more errors off his forehand."

"Looking across the net he seemed unsettled, like there were things on his mind. Everybody labels him as a bad boy but he really isn't. He's a good player but there are a lot of good players and he's going to get beat sometimes."

In the quarterfinals, Gullikson will meet Roscoe Tanner, the No. 5 seed, who defeated Jose-Luis Clerc, 6-7, 7-6, 6-4, 6-1.

In other matches, Bjorn Borg needed four sets to eliminate Brian Teacher, 6-4, 5-7, 6-4, 7-5. He has

now won 25 consecutive matches at Wimbledon, starting with his first match in 1976. Borg will face Tom Okker, who defeated Gene Mayer, 7-6, 5-7, 6-4, 6-4.

Jimmy Connors beat Mark Cox, 6-2, 6-1, 6-1, and will meet Bill Scanlon, who eliminated Brad Drewett, 6-4, 6-4, 6-7, 7-5.

Also advancing were Adriano Panatta, 7-6, 6-3, 7-6, over Sandy Mayer and Pat Dupre, who defeated Bob Lutz, 3-6, 7-5, 4-6, 6-4, 8-6.

The top eight women seeds have all reached the quarterfinals. Martina Navratilova, the defending champion, ran into some trouble with Greer Stevens before winning a difficult match, 7-6, 6-7, 6-3. Navratilova said she played with a cold, sore throat and a pulled leg muscle.

"I got lucky," she said. "I almost lost it and I'm glad I got through it." She will meet Dianne Fromholtz, who defeated Betty Stove, 7-6, 7-6.

Chris Evert Lloyd ousted Laura DuPont in 50 minutes, 6-2, 6-1.

"I'm pretty pleased with the way Wimbledon is going," Evert said. "Though it's hard to tell. Are the easy matches too easy? Do the hard ones mean I'm not playing well? I don't know whether it's better to have easy or tough matches early on but I'm getting better with each match. It was not a great match to lose but my opponent was not a big threat."

Evert's next opponent is Wendy Turnbull, whom she soundly defeated in the final of the French Open last month. Turnbull gained the quarterfinals at Wimbledon with a 6-3, 4-6, 6-3 victory over Kerry Reid.

Billie Jean King beat Hana Mandlikova, 6-4, 6-3, to set up a first meeting with Tracy Austin, who eliminated Virginia Ruzici, 6-2, 6-4.

And Evonne Cawley beat Kathy Jordan, 7-6, 6-7, 6-1, sending her against Virginia Wade, the 1977 champion, who defeated Debbie Jevans, 6-1, 6-2.

—NICK STOLT



Billie Jean King in action during her victory over Hana Mandlikova.

The Old Lady Takes On the Kid

By Nick Stout

LONDON, July 1 (UPI) — Soon after Billie Jean King defeated Hana Mandlikova yesterday to reach the quarterfinals of the women's singles competition at Wimbledon, someone reminded her that Tracy Austin, her next opponent, had yet to be born when King, now 35, won her first Wimbledon title in 1961.

She smiled because the fact represented a tennis victory of a different kind for her.

"You must remember," she said, "how important it is to me for women tennis players to have finally gotten the depth that we dreamed of 10 years ago; to have a tournament each week that a woman could make a living at. All these kids are the direct relationship to what we did years ago when we started the Virginia Slims circuit. The youngsters keep hearing about us and increasing their expectations. Personally, it makes me very happy to see it."

One Last Goal

It is ironic that the culmination of her crusade for the advancement of women's tennis may deprive her of a final ambition: to win a 20th Wimbledon championship.

To reach the quarterfinals, King defeated Mandlikova, a talented 17-year-old Czechoslovak, 6-4, 6-3. But few expect her to overcome Austin, who will not be 17 until December.

"I'd have to put my money on Tracy," Chris Evert Lloyd said confidently when asked to predict the winner. "Billie always does a little something extra when Wimbledon comes around, but Tracy's better right now."

The remark was telling. Just two years ago Austin walked onto center court for the first time. Her opponent, Evert, was at her side and the Duke of Kent was in the royal box. Not knowing what formalities were required with royalty in the crowd, Austin asked for advice.

"What am I supposed to do?" she said to Evert. "Just watch me," Evert replied, "and turn around and curtsy when I do."

The photographers overheard the conversation and asked Evert to take Austin's arm, which she did. Austin was 14 then.

The situation has changed. Austin, who first watched King in action in the famous battle of the

sees against Bobby Riggs in 1973, is ready for the challenge.

"I have a lot more confidence this year," she said. "The pressure doesn't bother me. Sure, I get nervous, but everybody does. It's normal. I want to play Billie. She always said she would retire and I didn't know if I'd ever get a chance to play her."

When reminded that King has a way of intimidating her opponents with her powerful cross-net glare, Austin said convincingly: "She's not going to intimidate me. I'm ready for her."

Alongside Navratilova

Since King won that first title in 1961, when she and Karen Hantze defeated Margaret Smith (later Margaret Court) and Jan Lehane for the women's doubles title, she has accumulated 19 championships: six singles titles, nine doubles and four mixed doubles. A 20th title would be a record and the prospects are good this year despite the challenge from Austin.

She and Martina Navratilova, the defending singles champion, are seeded No. 1 to take the doubles crown. And with Ben Testerman, a 17-year-old American, she has reached the quarterfinals of the mixed doubles. But it is in singles where she has achieved her greatest fame at Wimbledon, first defeating Maria Bueno for the championship in 1969, and then beating Ann Haydon Jones in 1967, Judy Tegart in 1968, Evonne Goolagong in 1972, Chris Evert in 1973 and Goolagong again in 1975.

King retired from singles play after winning the 1975 title, skipping the tournament in 1976. But she was back for the Wimbledon centenary in 1977 and again the next year, each time going down to Evert in the quarterfinals.

"I think there are five or six of us who could win this year," said King, who planned to use the off-day today to rest and prepare her game plan against Austin. "It depends on who can produce under pressure, who can adapt to tough conditions when things aren't going well or to sustain that momentum when they are going well. I feel I am hitting the ball well and a couple of backhand crosscourt shots really felt good against Hana. I'm playing as well as I have since 1975."

When asked why she ever bothered to retire, King could only admit the obvious:

"I'm tired of hearing about that," she snapped. "I enjoy playing. The most fun for me is still to run and jump and hit the ball. I really love just being here."

Abouille Captures Grand Prix

By Nick Stout

FRANCE, July 1 (AP) — Jean-Pierre Abouille won the Grand Prix here today to capture his first Formula One racing victory in two of the series.

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Hinault Keeps

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